

# The NATIONAL UNDERWRITER

HOME OFFICE FACILITIES IN OHIO



HOME OFFICE: 50 West Broad St., Columbus, Ohio

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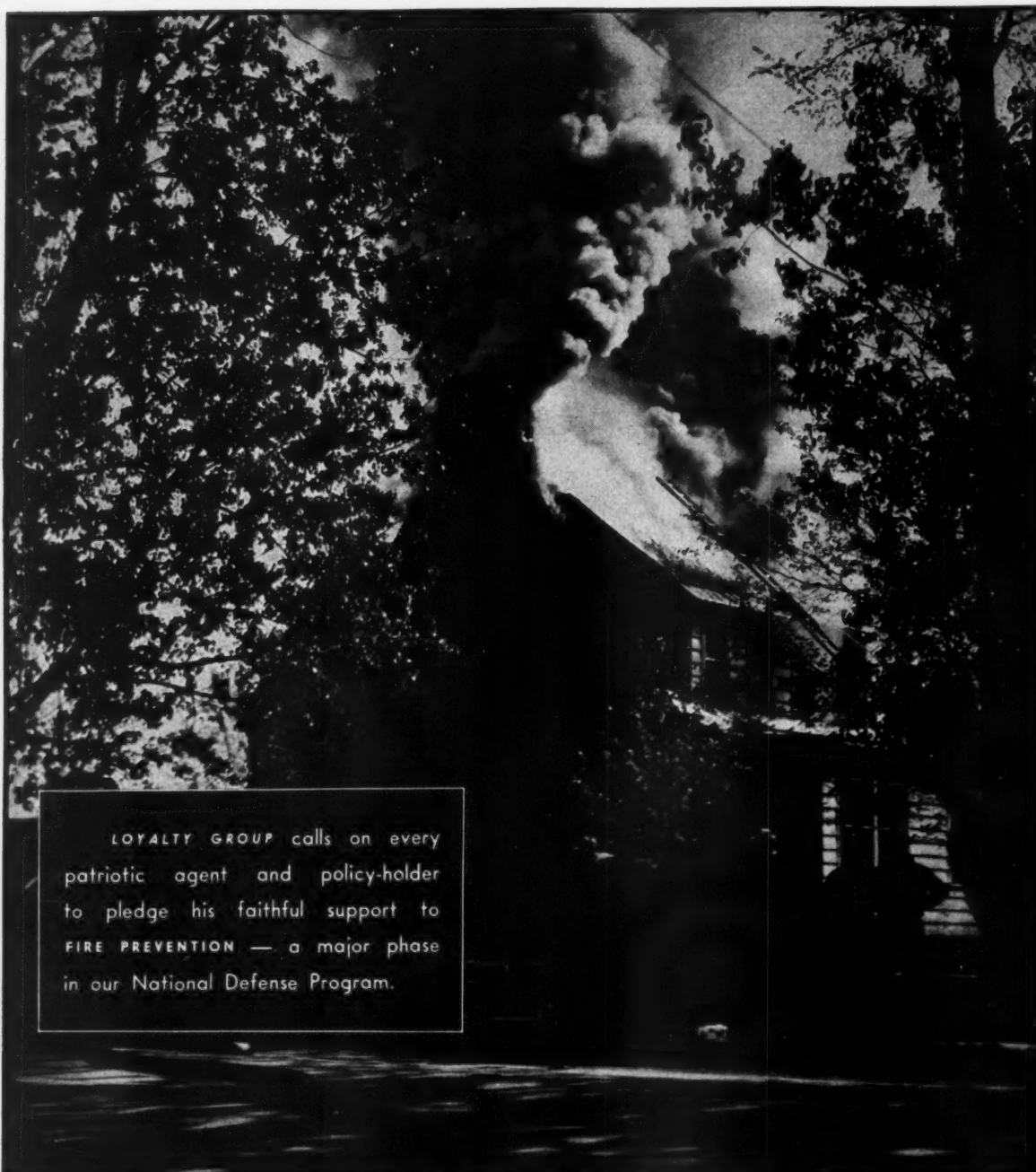
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THURSDAY, OCTOBER 3, 1940



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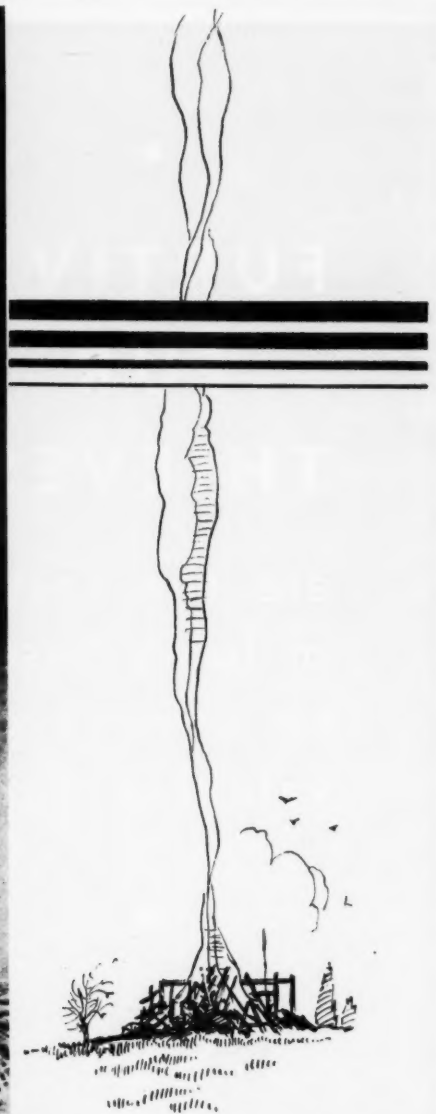
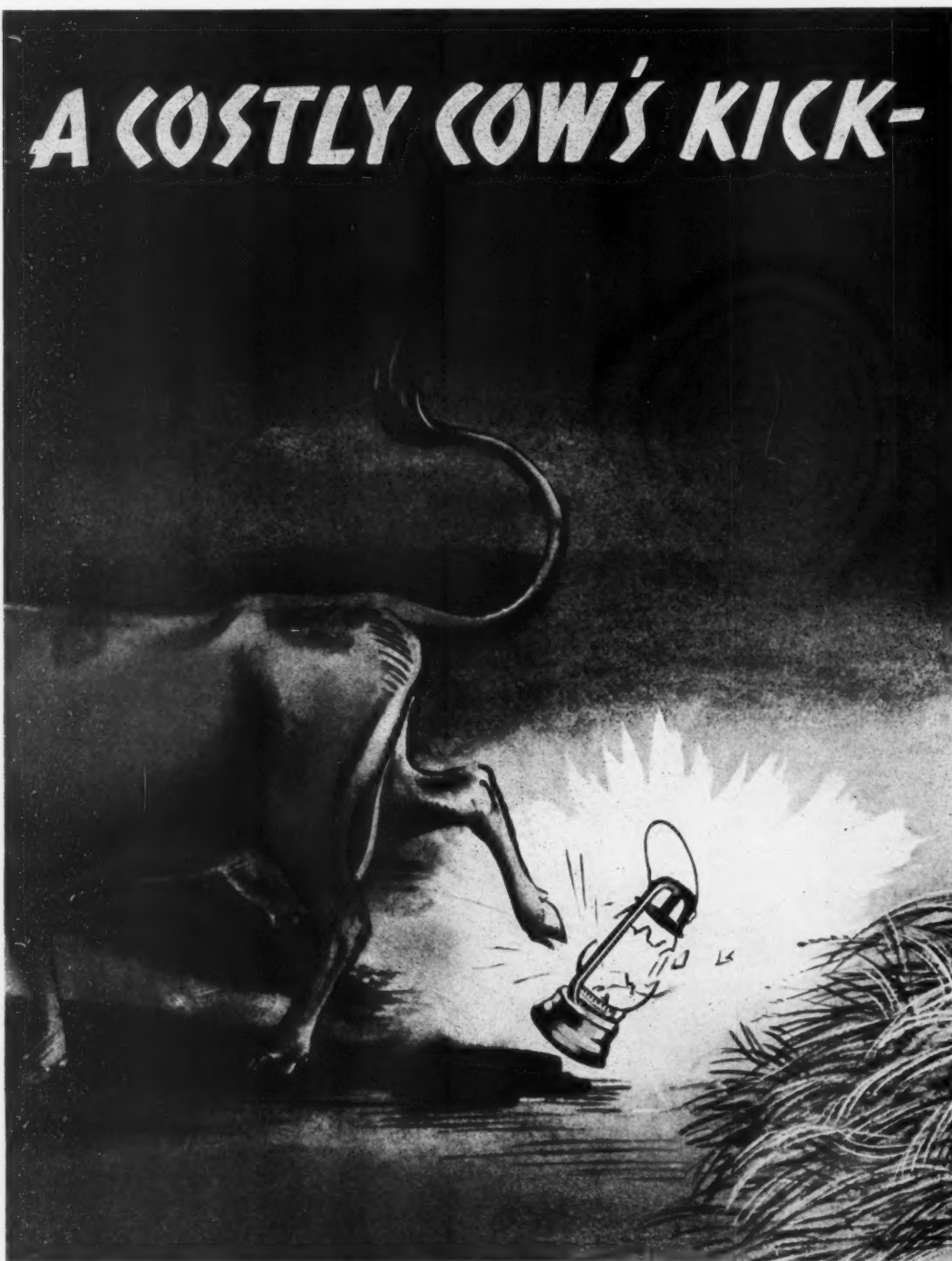
ATLANTA

DALLAS

MONTREAL



# A COSTLY COW'S KICK-



In October, 1871 occurred the great Chicago fire which put this company to its first big test here. It started in an outlying district among a poor class of buildings with frame surroundings—as popularly believed, in Mrs. O'Leary's barn, from a kick of a cow upsetting a lantern. A high wind prevailing at the time carried the burning embers to great distances with destructive effect. It was not long before the fire had gotten beyond control. For two days the flames raged, devouring everything in their path until they had burned over three square miles of territory and consumed between 17,000 and 18,000 buildings, both business and residential.

Insurance companies received a staggering blow, many being irretrievably ruined, while others were severely crippled. Nevertheless, the "North British" paid losses amounting to a total of \$2,330,000 and subscribed \$5,000 for the relief of sufferers.



## NORTH BRITISH & MERCANTILE INSURANCE COMPANY, LTD.

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1809 — 131 Years of Strength and Stability — 1940



# The NATIONAL UNDERWRITER

Forty-fourth Year—No. 40

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, OCTOBER 3, 1940

\$4.00 Year, 20 Cents a Copy

## Pennsylvania Men in Annual Session at Pittsburgh

**President H. M. Albert  
Presents Vital Issues  
Before State Body**

PITTSBURGH—The annual meeting of the Pennsylvania Association of Insurance Agents is in session this week. H. M. Albert of Stroudsburg, president, in his address said that a vital factor in the national defense program is the prevention of intentional and unintentional sabotage. The insurance companies have offered their assistance to the government in inspection work and fire prevention service, in detection of arson and other forms of intentional sabotage. He said that the agents' responsibility is to see that their clients have adequate protection against misfortune that could prevent wholehearted cooperation of the defense program. It is very fortunate, he said, that agents have an organization in times like the present so that they may exert any special effort that circumstances require.

### Higher Qualification Standards

He referred to the need of higher standards of qualifications for agents, saying that this is necessary for the insuring public to be properly prepared. Insurance commissioners, he said, have become convinced that the public interest demands that insurance transactions be handled by qualified people.

He referred to the educational program that has been undertaken by a number of state associations and by the national body. The Pennsylvania association cooperated with Pennsylvania State College in establishing an insurance correspondence course. In Pittsburgh the agents there established a school, running through the fall and winter months. In Harrisburg a course extending for several weeks is conducted through the cooperation of field men and local agents. The institution of insurance, he said, has been built up through the medium of the American agency system and he predicts that it will continue an essential factor if the agents themselves see to it that their service continues to be an essential element.

### Compulsory Auto Insurance

Local agents and the public, he said, will be faced with compulsory automobile insurance bills during the forthcoming legislative season. The financial responsibility law, he said, has been an aid in defeating compulsory legislation, but with the insurance superintendent of New York definitely sponsoring the compulsory system, President Albert said it is conceded that the subject will

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## North America Gears Its Service to New Needs

**Registry Is Presented  
of Service Office Setup  
in U. S. and Canada**

PHILADELPHIA — Herewith are given the capital facts concerning the new service office setup of the North America throughout the United States and Canada, including the title of each office, address, and, where already appointed, the chief executive and his designation:

Albany service office, 90 State street, Albany, N. Y.; J. Arthur Rizy, manager.

Atlanta service office, 739 Trust Co. of Georgia building, Atlanta; W. L. Treadway, office manager.

Baltimore service office, 704 Mercantile Trust building, Baltimore; F. H. Clarke, Jr. manager.

Buffalo service office, 834 Ellicott Square, Buffalo, N. Y.; R. W. Maytham, manager.

Chicago service office, 209 West Jackson boulevard; R. G. Osgood, resident manager.

Cincinnati service office, 1725-29 Carew Tower, Cincinnati; V. L. Montgomery, manager.

Cleveland service office, 1101-5 Union Trust building, Cleveland; T. Alvin Strahle, acting manager.

Denver service office, 860 Gas & Electric building, Denver; Bruce W. Bridgford, manager.

Detroit service office, 1200 Buhl building, Detroit; Arthur Eliason, manager.

Florida service office, 513 Exchange building, Orlando.

Harrisburg service office, 227 North Second street, Harrisburg, Pa.; Edward A. Town, office manager.

Hartford service office, 410 Asylum street, Hartford; Grenville M. Parker, manager.

Indianapolis service office, Tenth floor, Consolidated building, Indianapolis; Russell Reutepohler, manager.

Los Angeles service office, 621 South Spring street, Los Angeles; E. Fletcher Holmes, manager, R. A. Mitchell, manager.

Minneapolis service office, Plymouth building, Minneapolis; Herman G. Gross, manager.

New England service office, Eighth floor, Boston Insurance Exchange, 40 Broad street, Boston; Dion Taylor, office manager.

Newark service office, 809 Union building, 9-15 Clinton street, Newark; Malcolm Dickinson, manager.

New York office, 99 John street, New York; Henry H. Reed, general manager.

Omaha service office, 820 Omaha National Bank building, Omaha; Robert O. Young, manager.

Philadelphia service office, 232 Walnut street, Philadelphia; Dodd Bryan, general manager.

Pittsburgh service office, 587 Union Trust building, Pittsburgh; Frederick W. Sippell, manager.

Richmond service office, 303-311 American building, Richmond, Va.; R. W. Forsyth, manager.

**Decentralized Production  
Authority Is Correlated  
With Multiple Line Shop**

**By LEVERING CARTWRIGHT**

PHILADELPHIA—During the past eight months there has been placed in effect by the North America group a pattern of operations that represents one of the most aggressively up-to-date adaptations of established procedure and attitude to take place in the insurance world.

That retooling has been under way in the North America plant for some time has been known in the industry, but the new model has not heretofore been unveiled. Fragmentary glimpses have been caught from time to time and a good deal of misinformation has gained currency.

The management has desired to have the unveiling deferred until the time that the new model was complete, when the story of the transformation could be described in the past tense instead of in the future. That time has now arrived!

### Vice-president Lewis' Story

The story in its broad outline is best told by L. C. Lewis, vice-president. It would be impossible to comprehend the vitality of the new North America system without knowing him. He prizes time, so much so that he becomes almost epigrammatic in his conversation, seeking to convey the idea as completely and as incisively as possible. Indeed, it is some of his epigrammatic utterances, transmitted through dozens of mouths and subtracted of their full intent that have caused the new order at

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San Francisco office, 222 Sansome street, San Francisco; Horace J. McCauley, general manager.

St. Louis service office, 815 Pierce building, St. Louis; Bailey T. Turner, manager.

Seattle service office, 507 Colman building, Seattle.

Syracuse service office, 1010 Hills building, Syracuse, N. Y.; Chester W. Inglehart, manager.

Texas service office, Maverick building, San Antonio; L. F. Dakin; 201 Cotton Exchange building, Dallas; Carleton N. Hughes.

Washington service office, 729-15th street, N. W., Washington, D. C.; Charles F. Holden, general manager.

Canadian Department, 16th floor Victory building, 80 Richmond street, west, Toronto; H. C. Mills, general manager.

Montreal service office, 276 St. James street, Montreal; B. T. Lattimer, manager.

Winnipeg service office, 364 Main street, Winnipeg; L. L. Lewis, manager.

Vancouver service office, 911-914 Rogers building, Vancouver; C. O. West, manager.

## Watters Addresses Western Bureau at Its Atlanta Muster

**President H. A. Clark  
Gives Report of the Administration for Six Months**

ATLANTA—The semi-annual meeting of the Western Insurance Bureau is being held here this week. President H. A. Clark, Firemen's, has arranged during the last few meetings to have someone outside of company service to give a talk. In this way the members have been edified and informed. At this meeting Attorney Thomas Watters, Jr., of New York City was the speaker, devoting his attention largely to the



THOMAS WATTERS, JR.

work and activities of the insurance section of the American Bar Association, but he digressed to talk about the National Labor Relations Board rulings and other features of interest.

F. C. Schad of Chicago, secretary, was present as the right arm of President Clark. Mr. Clark gave the report of the board of directors and W. S. Whitford, Millers National, reported as treasurer. R. S. Danforth, Millers National, chairman of the field club com-

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## Special Report on Ohio Parley Starts on Page 18

A special report covering the annual meeting of the Ohio Association of Insurance Agents appears on pages 18-21 of this issue. Levering Cartwright represented the National Underwriter.

## West Appointment Stirs Up Colorado

**Insurance Interests  
Protest Governor's Action  
in Ousting Kavanaugh**

DENVER—A storm of protest from all branches of insurance was brewing in Denver this week following the surprise action taken by Governor Carr in appointing Somers E. West, Pueblo local agent and prominent Republican, to the post of insurance commissioner.

The governor left the city before the appointment was announced by his office and consequently could not be reached for comment. He has been on tour through remote sections of the state and has delayed his return until sometime later this week.

The action created widespread consternation in both statehouse and insurance circles. Scarcely had the first word of the appointment been flashed over the radio when insurance men went to the support of Commissioner Kavanaugh. During the afternoon Mr. Kavanaugh received dozens of phone and personal calls from insurance men wanting to know how they could be of assistance.

### Associations Take Actions

Directors of the Colorado Springs Association of Insurance Agents held an emergency meeting and sent Governor Carr a resolution commending Mr. Kavanaugh and urging that he be kept in office. The resolution declared the commissioner has accomplished much in the interests of the insuring public.

The Colorado Association of Life Underwriters, the Life Agency Managers Association and the Colorado Association of Insurance Agents are making plans to send a joint delegation to visit the governor immediately on his return and express approval of Mr. Kavanaugh's administration. Individuals in all branches of the business were also planning to call on the governor.

### Examinations Scheduled

The governor's appointment came as a particular surprise in view of the fact that the civil service examinations for the post of commissioner are scheduled for Oct. 18. Members of the civil service commission say it will be impossible for Mr. West to get the job because he has not filed an application for examination. The commission also stated that regardless of the governor's appointment whoever makes the highest score in the examination will be awarded the position. Mr. Kavanaugh filed some time ago and because he has a definite edge over other candidates in point of experience is generally expected to be certified by the commission.

### Court Action Expected

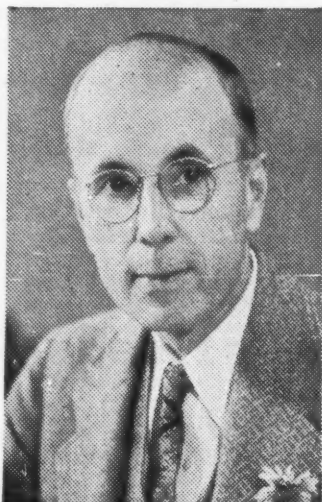
It seems certain that court action will develop if the governor seriously intends to try and oust Mr. Kavanaugh and place Mr. West in office. Immediately following announcement of Mr. West's appointment, the chief executive's office notified the civil service commission to stop the insurance commissioner's salary, Mr. Kavanaugh revealed. However, on a protest from Mr. Kavanaugh and pending further developments, the commission disregarded the order.

The only possible explanation of the governor's action lies in the fact that last week the Colorado supreme court upheld his right to make appointments to certain state boards, an authority which had been disputed by G. E. Saunders, secretary of state.

Attorney-General Rogers was out of town and could not be reached for an official opinion as to whether the supreme court decision covers positions such as that of insurance commissioner. However, reliable statehouse sources close to the attorney-general say that

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## Forty Years



GILBERT H. FULTON

G. H. Fulton, vice-president Security of New Haven, on Sept. 10 rounded out 40 years of service with the company. At a dinner of officers and department heads he was presented with a wrist watch. He entered the employ of the Security as a clerk and has served in practically every department of the business. He supervises underwriting in the eastern territory and has charge of personnel.

### Will Display 1941 Models at New York Auto Show

NEW YORK—Automobile manufacturers will display the 1941 models of their cars at the annual show in this city during the week of Oct. 13. Symbols and prices of the different makes will be tabulated for rating purposes by the fire companies, the material to be furnished agents in all parts it is expected, early in November. Though not definitely known, the anticipation is there will be no pronounced changes either in the car models or prices. Despite the award of contracts given automobile manufacturers by the government for making tanks, and other war equipment, the work will not interfere with the turning out of cars for early delivery, the understanding being that the majority of concerns have been aggressively making motor cars for months past, and have a liberal supply in their warehouses.

## Tokio and Meiji in Reinsurance Deal

**Standard of New York  
Takes Over Fire Business  
of Both Companies**

NEW YORK—The Tokio Marine & Fire and the associated Meiji Fire, both of Japan, have ceased writing fire and allied business in the United States, all net liabilities under outstanding policies being reinsured with the Standard of New York. The marine business of the Tokio is not affected by the arrangement, that division of its business continuing under the management of Appleton & Cox of this city.

The Tokio entered the United States in 1911, the late J. A. Kelsey being general agent of its fire branch to the time of his death last year, when he was succeeded by George Z. Day, who had been his chief aid since 1923. Appleton & Cox were named managers of the company's marine branch, and so continue.

### Financial Condition

At the close of 1939 the Tokio reported total assets in this country of \$12,229,091, and a policyholders surplus of \$9,629,222. Its premium income for the year totaled \$2,645,961. The Meiji joined the Tokio in the United States in 1931, operating under the same management. Its assets at the close of last year aggregated \$3,027,173, with policyholders surplus of \$2,628,070. Its net premiums in 1939 amounted to \$355,371. The Standard of New York, launched in 1922 and now operating in the great majority of the states, has a capital of \$1,500,000; total assets of \$6,703,763, and net surplus of \$3,421,222. Its net premiums in 1939 were \$1,689,364. George Z. Day is its president, and has been an official since the company was formed.

sively making motor cars for months past, and have a liberal supply in their warehouses.

### New Builders Risk Form

The Canadian Underwriters Association has authorized a new builders risk form for use in Ontario and Quebec. Reports are not required. The rate is 55 percent of the coinsurance builders risk announced rate. It is similar to the American "completed value" form.

## National Board Gets Pamphlet Demand

**Marked Interest in Fire  
Prevention Is Being  
Noted This Year**

NEW YORK—Interest in fire prevention, which has been increasing for years, is more pronounced today than ever, to judge from the calls upon the National Board for supplies of its material on the subject. For the first time in its history the National Board has had to dispatch the bundles of pamphlets, posters and the like dealing with different aspects of prevention work, to the postoffice in trucks instead of hand carts as heretofore, so great has been the call for supplies. In addition to fire department officials, school and hospital authorities, chambers of commerce and kindred public bodies, the National Board advised each of the 40,000 local agents throughout the country on the mailing list of the Business Development Office, of its willingness to furnish copies of any or all of the leaflets and booklets listed below, in such quantity as could be used effectively. The response has been such as to force the supply department to work at top speed to keep pace with the orders.

Unquestionably, interest in the prevention movement through Fire Prevention Week—Oct. 6-12—this year has been stimulated through appreciation on the part of the public of the need for special vigilance during the war preparedness activities of the federal government and the aid that could be given its program in holding fires to the minimum.

The material available from the National Board just now includes leaflets and pamphlets here listed: "Safeguarding the Home Against Fire," "Safeguarding the Nation Against Fire," "Your Life, Your Property—Are They Safe?" "Danger in Your Home," "Fire! Fire!" "The Door of Opportunity," "Told by a Tongue of Flame," "Playlets for Children," "New Puzzle for Children," "Self - Inspection Blanks," "Just One Minute," "Let's Save a Life at Home."

## Fire and Casualty Men Discuss Plant Survey Work with U. S. Officials

The fire and casualty companies, in their campaign to assist the government in protecting industrial plants engaged in filling the requirements of the national defense program, advanced another step when the Insurance Committee for the Protection of American Industrial Plants met at Washington with government officials to discuss plans for integrating and extending plant survey and inspection work, which has been started with the cooperation of the department of justice.

It was revealed that the department had for several months been surveying plants and now has detailed records and other information possessed by the underwriters of industrial plants. The committee said that the insurance companies would augment the plant inspection and survey activities of the department of justice. The insurance companies gave a report outlining recommendations for procedure and amplification of survey work.

J. Edgar Hoover, head of the federal bureau of investigation, commented that the fire and casualty companies have brought the government a valuable and workable plan of cooperation and that the information the companies are furnishing to the department is smoothing the work of the department and enables it to cover more ground. It was pointed out that although insurance companies have long been doing survey and inspection work of plants, present conditions warrant expansion of the work in making it available to the government.

## THIS WEEK IN INSURANCE

Pennsylvania Association of Insurance Agents is meeting this week at Pittsburgh. **Page 3**

Changes in the field operations of the North America are described by a member of the staff of The National Underwriter. **Page 3**

Semi-annual meeting of the Western Insurance Bureau is being held this week at Atlanta. **Page 3**

Surprise appointment of S. E. West as Colorado insurance commissioner by Governor Carr stirs up insurance men. **Page 4**

Program for the annual meeting of the Indiana Association of Insurance Agents is announced. **Page 12**

Many former westerners are now located at North America's head office in Philadelphia. **Page 17**

Great demand for National Board pamphlets on fire prevention is being noted this year. **Page 4**

National Board makes report on the severe loss of R. M. Hollingshead Company at Camden, N. J. **Page 5**

Charles L. Purdin, manager of the New England department of the Liverpool & London & Globe and Queen, has retired from business. **Page 10**

Annual meeting of Ohio Association of Insurance Agents held at Cleveland. **Page 18**

Associated Factory Mutuals, with exception of three groups, reduce dividends. **Page 5**

Marine underwriters raise far east rates. **Page 5**

The Tokio and Meiji Fire, both of Japan, have ceased writing fire and allied business in the United States. **Page 4**

Illinois Insurance department charges violations in policy offered as evidence in suit against automobile ruling. **Page 23**

Liberal attitude to be adopted by the Bureau of Personal Accident & Health Underwriters on the status of assured entering naval or military service. **Page 25**

Kenneth Spencer, president Globe Indemnity, after a two-day inspection tour at Akron predicts bright future for the trucking industry. **Page 23**

Minnesota attorney-general's department rules life companies can write automobile public liability coverage in state under law and department acquiescence for many years. **Page 25**

Harold A. Miller, special deputy in the Illinois Insurance department, goes on a part time basis with the Illinois Automobile Assigned Risk Plan with offices in Chicago. **Page 23**

L. A. Mills has been elected secretary of the Association of Casualty & Surety Executives. **Page 23**

Travelers announces its new setup in its casualty department at New York City following the retirement of Vice-president John McGinley. **Page 24**



## War Risk Rates to Far East Raised

Reflect Long Voyages and Increased Tension: Situation Otherwise Quiet

NEW YORK—Marine underwriters this week raised war risk insurance rates for cargoes in non-U. S. flag vessels to and from the far east to 5 percent. This is the only major rate increase involving any sizable amount of coverage that has been made since about June 1.

The new far east rate, which covers shipments via the Cape of Good Hope, lumps two former classifications, belligerent flag vessels and neutral vessels other than U. S. flag. The old rate was 4 percent on belligerent vessels and 3 percent on non-U. S. flag neutral ships, so that the new rate constitutes quite a boost for the latter classification.

Actually the new rate is not a radical increase, as the London market has been charging 5 percent for some time on this business.

### Non-War Risk Unchanged

Ocean marine cargo business outside the war risk field is very nearly up to last year's figure, which means that the greatly increased United States trade with the far east is offsetting the loss of business with Europe. Marine underwriters in the United States get very little business from the American trade with the United Kingdom, practically all of this being insured in British government insurance pool because of the lower rates.

The increase in the rates for the far east is largely a reflection of the underwriters' desire to protect themselves against possible changes in conditions. Because of the length of voyages, ranging from 60 to 90 days, the underwriters are in a position of having to make a guess that will average out satisfactorily for a considerable period into the future. Most underwriters feel that the far eastern situation is due to get worse, a minority holding that present developments are merely what was boiling under the

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## Factory Mutuals Reducing Dividends on Fire Business

It is announced that the Associated Factory Mutuals with the exception of three groups have reduced their rates of unabsorbed premium deposit refunds on one and three year policies. This means a decrease in dividends. The reduction went into effect Oct. 1. The Firemen's Mutual, Arkwright Mutual and Cotton & Woollen Manufacturers Mutual did not make any change in their dividend scale.

A. M. Best, the New York publisher, in speaking before the National Association of Mutual Insurance Agents at Washington, D. C., stated that the gap in cost between stock and mutuals is narrowing. Coverages are being broadened and many factors, he said, are at work that are affecting both classes of carriers.

In the October issue of "Best's Insurance News" it is reported that the combined loss and expense ratio of 35 general writing mutuals for the first six months was more than 3.5 points higher than for either 1939 or the first half of last year. This is due to the increase in incurred loss ratio. The report says that an increase in losses resulted in smaller underwriting profit by an amount nearly equal to the total net investment income.

Mr. Best in his Washington address said that mutual companies are broad-

## Agency Association Issues Discussed in Committee

NEW YORK—Giving intensive consideration to many of the most important problems confronting agents and the business of insurance as a whole, the executive committee of the National Association of Insurance Agents during the course of its recent meeting at Buffalo in connection with the annual convention of the organization, worked through one of the fullest agenda in its history.

The committee issued a minimum of public statements during the course of its meetings but laid the groundwork for comprehensive exploration and progress along many vital lines.

### Public Relations

The increasing, intermittent and sporadic effort by the industry in regard to public relations was before the committee. It was instantly recognized that this was one item which could and should easily lend itself to centralization. One comparatively new idea was discussed at length. It was termed, "Public Opinion Research." As the words indicate, it concerns the possibility of a comprehensive and coordinated movement by the business and by the agents of the country along lines of public relations. The committee viewed any approach to this movement as definitely a joint enterprise on the part of agents and companies which could not be successfully consummated by either proceeding alone or independently of the other. It was the desire of the committee that the new administration develop the idea far enough to determine if it has merit and if it is a practicable and usable idea.

### Graded Commissions

As might be expected, the committee approached the subject of graded commissions and graded expenses with a good deal of caution, on the theory that when a controversial question arises which appears to have merit upon the affirmative and negative side it is well to make haste slowly.

A good many times in the past the National association's administration has raised the question of a given percentage of insurance premium as compensation for agency service which does not always measure either the value or the necessity of the service to be rendered. Any given percentage of the small premium unit is nearly always a wholly inadequate compensation for the service that has to be rendered during the life of the policy. On the other hand, company committees have contended that when the very few large premium units are reached, particularly in the casualty and surety business, the percentage fixed from the beginning is likewise out of proportion.

### Complaints

The committee believed that it was necessary to make a comprehensive survey and study of this whole agency compensation question and with that idea in view, authorized the appointment of

ening their underwriting operations, most of the so called "class" companies now writing a general business and many local mutuals have greatly extended their field. In fire insurance, he said, this is increasing both the expense and fire loss ratios. In some casualty lines such as workmen's compensation, Mr. Best finds, the mutual loss ratio is running higher than that of stock companies.

### Revised Scale

The revised scale of dividends is:

	New Scale	Old Scale
	1 yr. 3 yrs. 1 yr. 3 yrs.	1 yr. 3 yrs.
	Pct. Pct. Pct. Pct.	Pct. Pct.
Mfrs. Group.....	92 82	94 84
Blackstone.....	92 78	93 79
What Cheer.....	91 76	92 78
Boston Mfrs.....	93 81	94 82
Philadel. Mfrs.....	90 73	91 74
Protect'n Group..	90 72	91 74

a committee to carry on that work as it applied to casualty and surety affairs.

Running true to form the committee had before it certain complaints that this, that, or the other company was doing this, that, or the other thing inimical to the welfare of the agents or the local boards where a given situation would arise. It is frequently found in these cases that such matters can be amicably adjusted when there is an understanding on both sides of the facts and circumstances surrounding a given transaction.

### Educational Program

In the matter of an educational program, which has received so much attention lately, there was developed by the committee the rather definite thought that the programs need to be divided into two parts: One to concern itself with short-course schools in the nature of sales promotion wherein both agents and companies may become the beneficiaries of increasing production; the other tending toward the eventual establishment of complete insurance courses in more colleges and universities in order that those students seeking a career in insurance might have this distinct advantage during their college courses. It is suggested that this will lead to the establishment of a college of property and liability insurance. It was decided to invite the cooperation of the Association of University Teachers to assist in developing this latter long-range aspect of the program.

The committee spent some time in considering recent objections advanced by some insurance commissioners to the

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## National Board's Report on Big Loss at Camden, N. J.

The National Board has reported on the R. M. Hollingshead Company at Camden, N. J., which sustained a \$1,000,000 loss July 20, destroying 37 buildings. It manufactures polishes, waxes, anti-freeze, paint remover and various other products. In addition to its own group of buildings the fire destroyed 29 dwellings and several other structures, at least 40 feet away showing the highly flammable Hollingshead products.

The plant had an automatic sprinkler system and was subdivided by several fire walls with thoroughly good protection on communicating openings. The report says it is probable that the initial explosion damaged the sprinkler system to such an extent that it was rendered useless. The fire doors all functioned properly but the fire burst through these openings before the doors could operate. Because of the severity of the fire, the wired glass windows on one side of the narrow court between buildings 1 and 6 afforded little protection. Such windows, the report says, are not recognized as providing protection against severe fire exposure.

### Fire Spread Very Rapidly

Speaking further, the report says: "With the sprinkler system rendered useless, and the division walls having little or no retarding effect, the fire spread with rapidity throughout the group of buildings forming the main portion of the plant; numerous flammable liquids served to add to the rapidity of spread and intensity. So severe was the radiated heat that the fire fighting forces were unable to effectively attack the blaze. As a result the fire was carried by a moderate southwest wind across the 40-foot railroad right-of-way to several rows of brick dwellings and two smaller buildings of the

## Paul Haid Talks of Defense Program

Tells Ohio Agents of Part Insurance Must Play in Present Emergency

CLEVELAND—Paul L. Haid, president Insurance Executives Association, in addressing the convention of the Ohio Association of Insurance Agents here Wednesday dwelt upon the part insurance must play in the defense program. He told of the meeting that was held in Washington last Friday of a committee representing all branches of the insurance business and all types of carriers and federal authorities on safeguarding industry against sabotage and other hazards incident to the intense activity now being undertaken. To the National Board has been assigned the realm of cantonments, fire protection of cities, extensions, cooperation with fire chiefs and plants.

### See That Insurance Is Available

Mr. Haid implored the agents to cooperate to the utmost to cause plants and mercantiles to be kept in shipshape condition. In the last war there were 21 federal agencies dealing with matters of interest to insurance. Those jurisdictions are now being consolidated.

Mr. Haid said another problem of defense is to insure that insurance protection is available in adequate amounts.

(CONTINUED ON PAGE 31)

plant, and was spread by radiated heat into buildings across streets to the south and west, before it could be brought under control.

"This disaster serves to illustrate the need for stringent safeguards where processes involving the use of materials of a highly flammable nature are carried on.

### Recommendations Are Made

"Processes involving highly flammable liquids should be located in buildings without basements, either separated an adequate distance from other buildings or separated therefrom by standard fire walls without door or other openings. Rooms should be adequately ventilated, tanks should be vented to outside, all equipment should be grounded, and electrical equipment should be of the explosion-proof type. Careful consideration should be given to the location of flammable liquid pumps and piping and to the support of sprinkler piping to reduce the probability of damage by a vapor explosion. In such occupancies it is desirable to have sprinkler control valves for each building located where they will be accessible in case of fire or explosion.

"A secondary point is well illustrated by this fire. In the average city fires are possible that will require the service of the entire fire department. At such times, prearranged plans with surrounding towns and cities to provide protection to the city against additional fires are of great value."

### Fire Association Field Changes

Effective immediately, the following changes affecting Fire Association field supervision are announced:

F. L. Michel, state agent for West Virginia and southern Ohio, is transferred to the head office at Philadelphia for duties in the marine department.

J. G. Junior, who has been special agent at Pittsburgh, is assigned to Parkersburg, W. Va., to succeed Mr. Michel.

Richard Creighton is transferred from the Philadelphia head office to Pittsburgh to succeed Mr. Junior as assistant to Western Pennsylvania State Agent Ruth.

Harry Miller is appointed marine special agent for Ohio and West Virginia with headquarters at Columbus, O.



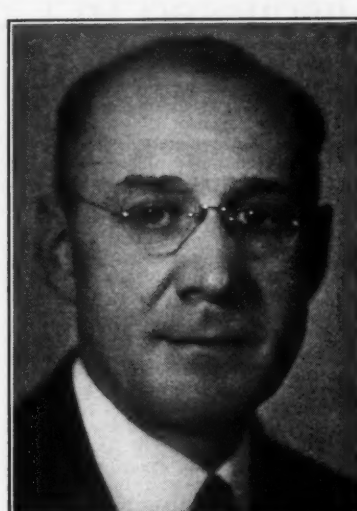
## PROMINENT AT PENNSYLVANIA LOCAL AGENTS MEETING



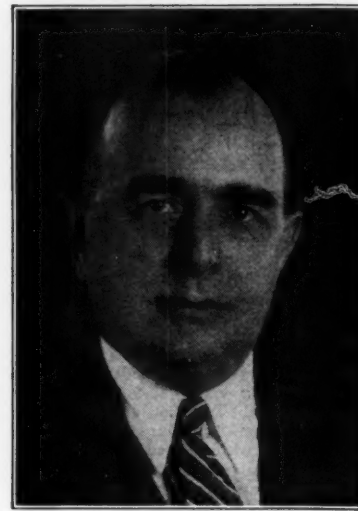
HARRY M. ALBERT, Stroudsburg  
President



FRANK D. MOSES, Harrisburg  
Secretary



S. G. OTSTOT, Raleigh, N. C.  
Executive Secretary, N. C. Agents



KENNETH H. BAIR, Greensburg  
Former National President

## NEWS OF FIELD MEN

### Aetna Announces Important Changes

The western department of the Aetna Fire group announces the following changes:

H. M. Mountain, heretofore state agent at Kansas City, Mo., is appointed Wayne county manager at Detroit.

J. G. Peterson is transferred from Indiana to the western Missouri field succeeding Mr. Mountain.

F. W. Mountain, who has been traveling in the Michigan field, is being transferred to Indiana as special agent to succeed Mr. Peterson.

Irvine H. Thomas, an underwriter in the western department, goes to Tennessee as special agent succeeding G. M. Egbert.

Arl Garrett is promoted from farm special agent in Indiana to assistant superintendent farm department, Chicago. Ray C. Preston has disposed of his local agency interests at Gibson City Ill., and succeeds Mr. Garrett as farm special agent in Indiana.

### Michigan Committees Named

DETROIT—R. J. Price, New York Underwriters, president Michigan Fire Underwriters Association, has appointed his executive committee, which is: W. R. Ewald, Detroit F. & M., chairman; E. C. Saulcy, Great American; B. L. Hewett, Jr., Boston and Old Colony; C. L. Zook, National Fire, and Arthur Eliason, North America. The loss committee will be headed by D. H. Luce, Providence Washington. Other committee chairmen are: L. I. McKay, Northern of London, development and educational; Arthur Eliason, North America, inter-relations; L. J. Gilmour, America Fore, rules and forms, and W. L. Friedman, Underwriters Service, speakers. New members admitted at the last meeting are: J. B. Finnegan, Jr., Crum & Forster; F. E. Greene, National Fire; L. J. McDonnell, American of Newark, and H. V. Schnitzler, Glens Falls.

### Wichita Stag Is Held

The annual fall stag of the Wichita Blue Goose was held at the summer cabin of George Landers, Northwestern Fire & Marine, near Wichita. Some 40 members attended, including Col. Sam F. Woolard, retired state agent Commercial Union, and Tom Burford, Kansas City, Employers state agent. A string trio composed of Hughes

Cunningham, Sheffer-Cunningham; DeVone Quinn, Kansas Underwriters, and Mr. Landers, was a feature of the entertainment. Indoor sports centered around contests between the field men and adjusters with the latter having the edge in most cases.

Shelby Holmes, Kansas state agent Royal, who has been transferred to New York as special representative, was guest of honor at a meeting of the puddle in Wichita. He was presented with a traveling kit by G. M. Montgomery, Western Adjustment, on behalf of the pond.

### Ross E. Coffin's Address

Ross E. Coffin, Indianapolis, state agent of the Eagle Star, Boston and Old Colony, who addressed the annual convention of the National Stationers Association in Chicago on "The Consumer Movement," said that about 1,000 in attendance gave close attention and both before and after the meeting individuals manifested much concern over the progress made by the consumers cooperative movement. Mr. Coffin has accumulated convincing facts and material to back up the statements and warnings he voices in the course of this carefully prepared address. Among those to whom he feels indebted for assistance in this connection he mentions B. A. Jochen, assistant United States manager of the Eagle Star who, he says, has been especially helpful in uncovering material he has used.

### Hilton in Ohio Field

W. B. Hilton has been appointed special agent of the National Union Fire in Ohio. He has had considerable experience in bureau work, field operations and more recently in the local agency field. He will be associated with A. C. McCabe in northern Ohio with headquarters at 810 Standard building, Cleveland.

### Walls to Northern California

E. E. Walls, special agent Firemen's of New Jersey, has been transferred from the San Diego office to northern California. He will travel the San Joaquin Valley and coast territory under the supervision of Roy H. Davis, veteran special agent.

### Young With General Agency

Mendez Young has been appointed special agent for Barney Vanston & Co., Dallas general agents, in the Dallas territory. He was formerly Texas state

agent at Dallas of the Kansas City Fire & Marine, which he joined early in 1939 after having been special agent of the Royal group about 20 years. He entered the insurance business with his father, a local agent at Hillsboro, Tex.

### Iowa Blue Goose Luncheon

DES MOINES—Brice Draper of the Hartford marine department in Chicago was a guest at the weekly luncheon of the Iowa Blue Goose. J. H. Bunten, most loyal gander, presided.

The Iowa Fire Prevention Association will take over the program at next Monday's meeting in connection with Fire Prevention Week. The Iowa Fire Underwriters Association will hold an executive committee meeting prior to the Blue Goose luncheon to map plans for its fall program. A general meeting of the association will be held some time in October.

### B. P. Mansfield's New Post

The Marine Office of America has announced the appointment of B. P. Mansfield as special agent assigned to the Philadelphia service office in the Independence building. A native of Philadelphia, Mr. Mansfield attended the University of Pennsylvania and has been situated in the Philadelphia territory prior to his present association with the Marine Office.

### Indiana Pond Holds Outing

Indiana Blue Goose fall activities started at the fall golf tournament held at Ulen Country Club. Fifty played golf and 70 were at the dinner. A stag dinner will be sponsored about the middle of October by the pond in South Bend. J. W. Bestermann, Employers Fire, is most loyal gander, and D. G. Kaga, Royal Exchange, chairman entertainment committee.

### Royal-Liverpool Parley

A regional meeting of Royal-Liverpool field men in Louisiana, Mississippi and Arkansas was held in New Orleans. M. H. Grannatt, assistant United States manager, and E. S. Waggaman, regional manager, spoke.

### Harrison, Jr., with Phoenix

W. H. Harrison, Jr., Chicago, formerly with Royal-Liverpool groups as special representative, has become associated with U. M. Lelli, general agent,

Phoenix of Hartford at Chicago, in developing inland marine and special lines in the middle western states. Mr. Harrison's father, W. H. Harrison, Sr., is state agent for the National group in Des Moines.

### Farewell for J. F. Kell

The Chesapeake Blue Goose gave a farewell dinner to John F. Kell of the Middle Department Rating Association in Baltimore, and presented him a gift.

Mr. Kell, who has served as district secretary of the Middle Department for 12 years, took up his new duties in the engineering department in the Philadelphia office Oct. 1.

J. R. Knowlan, past most loyal grand gander, attended the dinner.

### North Dakota Activities

FARGO, N. D.—The Blue Goose Speakers Club of Fargo held a luncheon meeting with about 25 in attendance. Herbert Nilles, Fargo attorney, was the speaker.

Wives of Fargo Blue Goose members gathered Oct. 3 for a noon luncheon and bridge. This organization has 32 members. Mrs. S. E. Bickard, Mrs. A. K. Bolton, Mrs. D. C. Brown and Mrs. A. C. Brunsvold were the hostesses.

The North Dakota Underwriters Association held its first fall meeting at Fargo with 20 members in attendance. Guest was Associate Counsel E. M. Briggs of the National Board at Chicago.

### South Dakota Meeting

The South Dakota Fire Underwriters Association which had planned to hold a meeting Sept. 3 at Huron had to postpone it on account of the state fair, but the meeting was held on Tuesday. The first inspection of the season was held at Freeman, S. D., Sept. 24. In the evening a banquet was held. Harry L. Stanley, Queen City, was in charge of arrangements.

### Ohio Field Meetings Tuesday

The Ohio field clubs will hold their monthly meetings in Columbus Tuesday. The Ohio Stock Fire Insurance Speakers Association will meet Monday. A meeting of the executive committee of the Fire Prevention Association will follow.

### NEWS BRIEFS

The Illinois Fire Prevention Association will inspect Lincoln, Oct. 16. J. B. Taylor, Western Actuarial Bureau, will address a public luncheon meeting.

The Wisconsin Women of the Blue Goose have resumed their meetings. New officers include Mrs. J. A. Fleck-

**SALES PLANS THAT GET RESULTS**  
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# THE GOOD HARVEST

**W**HEN crops are nearly ripened and the season to gather them in once more approaches, the diligent farmer surveys his fields and contemplates with great satisfaction the rich reward of his labors—an abundant harvest.

How well the harvest exemplifies the truth of the saying "He profits most who serves best." The farmer who plants his seed well, in good soil and who faithfully cultivates its growth, deserves to profit well because he has served well.

That's the way we feel about the business you and we are engaged in—that of *insuring* the fruits of the labors, not only of the farmer, but of those in all walks of life. Together, the great institution of Capital Stock Company insurance and the American Agency System form an invaluable bulwark of security for America's families and business world. The individual companies and agents deserve to prosper depending on how well they serve this public trust.

The Commercial Union, one of the leading groups of Capital Stock Fire and Casualty insurance companies concentrates its energies on serving its Agency organization. We believe that the trained and experienced insurance agent is logically qualified to render most efficiently the direct service an insurer requires, because of his location and his understanding of local conditions and needs.

By supporting the American Agency System 100%, and supplying unexcelled policies backed by unquestioned financial strength and all modern insurance facilities, we believe that we are rendering to the American Public the highest type of insurance service available. We are confident that this sound practice will continue to earn for us a harvest of good-will in our business with both Agents and Insurers.

## COMMERCIAL UNION GROUP

COMMERCIAL UNION ASSURANCE COMPANY, LTD.

AMERICAN CENTRAL INSURANCE COMPANY

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THE OCEAN ACCIDENT &amp; GUARANTEE CORPORATION, LTD.

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enstine, president; Mrs. E. A. McElwaine, vice-president; Mrs. A. H. Larson, secretary; Mrs. W. W. Ferguson, corresponding secretary; Mrs. E. H. Knox, treasurer.

**J. G. McHale**, Minnesota state agent of New York Underwriters, gave a fire prevention talk at Faribault Sept. 30.

The **Pine Tree State Field Club** will hold its next meeting Oct. 7 in Portland, Me.

**J. R. Claypool**, America Fore, president **Tennessee Fire Prevention Association**, reports a successful inspection of Henderson. A meeting at Cookeville is planned early in October.

**J. A. Burke, Jr.** has been appointed engineer at Richmond, Va., for the Royal-Liverpool group. Graduate of Washington & Lee University and of the Virginia Polytechnic Institute, he was given a course of training in the New York office of that group before taking up his new work. His father is a local agent at Appomattox, Va.

The **Ohio Prevention Association** will inspect Xenia Oct. 22 and Logan Nov. 19.

The **Navajo Blue Goose** puddle is planning a party at the La Fonda Hotel, Santa Fe, Oct. 17, preceding the New Mexico Association of Insurance Agents convention. All Blue Goose members are invited.

**T. J. Ocasek**, Underwriters Service, president Ohio Stock Fire Insurance Speakers Association, addressed the Rotary Club of Delaware, O., Tuesday on "Stock Fire Insurance in Fire Prevention."

**R. T. Lawrence**, special agent Fireman's Fund, Albuquerque, N. M., is the father of a baby girl.

**J. J. Ronayne**, Indiana special agent Commercial Union group, suffered severe injuries including a fractured skull in an automobile accident in Hammond, Ind. Frost on the windshield obscured his



CLARK E. NOLAN

At the meeting of the Chicago Insurance Club this week there was an interesting discussion by three prominent men each giving his views on what the company, the agent and broker expect

vision and his car collided with a truck. He was taken to St. Margaret's hospital in Hammond.

**C. E. Bleckley**, Northern state agent, Topeka, past president of the Kansas Fire Prevention Association, will speak at a joint meeting of civic clubs and the chamber of commerce at Great Bend Oct. 8. **V. B. Steenrod**, North America, will address a similar meeting at Dodge City, Oct. 7.



ALLAN I. WOLFF

of each other. Vice-president G. H. Moloney Hartford Accident & Indemnity at Chicago spoke from the company standpoint. Allan I. Wolff, secretary Associated Agencies and former



GEORGE H. MOLONEY

president National Association of Insurance Agents, represented the agency view and President Clark E. Nolan, Illinois Insurance Brokers Association, gave the broker slant.

director of United Air Lines. After being graduated from Northwestern University, where he majored in business and finance, he entered the insurance business in Chicago. He was assistant manager of the Travelers and was manager for this company in Oak Park. He also was field manager for the Home Life of New York.

After 10 years in insurance Mr. Holmberg joined United Air Lines eight months ago as a salesman in the Chicago regional traffic office and he then became industrial field manager there.

## AS SEEN FROM CHICAGO

### DEATH OF BRUCE RICHIE

Funeral services for Bruce E. Richie, 75, head of the Chicago local agency of Lyman, Richie & Co., were held in Grace Episcopal Church, Hinsdale, Ill. He died Saturday at his home there. He is survived by Mrs. Richie, a daughter, Mrs. W. F. Crum, and a son, Clarke.

Mr. Richie was engaged in real estate and insurance in 1895 and then gave all his time to insurance. The original firm was Lyman, Otis & Co., he being vice-president. He became president of Lyman, Richie & Co. in 1927.

### ILLINOIS CHAMBER LUNCHEON

The Illinois chamber of commerce is arranging for its annual insurance luncheon to be held at the Palmer House, Chicago, Oct. 11 at 12:15 p. m. when Superintendent L. H. Pink of New York will be the speaker. G. F. Manzelmann, vice-president North American Accident, is chairman of the division. G. H. Schirmer, Freeport, Ill., vice-president General Casualty of Wisconsin, is chairman of the executive committee. Other members on the executive committee are J. C. Harding, executive vice-president Springfield F. & M.; G. R. Kendall, president Washington National; G. A. McKinney, executive vice-president Millers Mutual Fire of Alton, Ill.; E. V. Mitchell, general counsel Continental Casualty and Continental Assurance; G. H. Moloney, vice-president Hartford Accident; S. A. Rothermel, Moore, Case, Lyman & Hubbard, Chicago; Chase M. Smith, secretary National Retailers Mutual of Chicago; C. B. Stumes, Penn Mutual Life, Chicago.

### NON-PARTISAN HERSHEY MOVEMENT

A movement is on foot among a group of Chicago insurance men that will extend itself throughout Illinois to

organize a non-partisan insurance political league in behalf of H. B. Hershey, Democratic candidate for governor. The point is made by a spokesman of this group that Mr. Hershey is now attorney for the liquidation bureau of the Illinois insurance department and therefore, has a thorough understanding of what the department has accomplished under Governor Horner's administration. He sees the need of a continuation of a policy that was adopted because it is pointed out that there are problems before the insurance division that are in the process of solution.

The spokesman declared that this group would appeal to those in the insurance business that appreciate what has been accomplished by Insurance Director Ernest Palmer. Mr. Hershey has given assurance that the department will be continued on the same basis and will be strictly non-partisan in its complexion. The personnel in the department now was employed without regard to political affiliation. The appeal will be made to insurance people in the state to stand by a division of the government that has proved itself effective and successful.

### COOK COUNTY FIELD MEETING

The Cook County Field Club will hold the first meeting of the season at the Atlantic Hotel at noon, Oct. 14. The United States Steel Company's motion and sound technicolor picture "Steel Man's Service" will be shown.

### TAYLOR ON THE WING

J. Burr Taylor, special representative of the fire prevention department of the Western Actuarial Bureau, is booked for every day during Fire Prevention Week, as follows: Monday, South Haven, Mich.; Tuesday, Owensboro,

Ky.; Wednesday, East St. Louis, Ill.; Thursday, Wichita, Kan.; Friday, Stillwater, Okla.; Saturday, Roxana, Ill.

### TIPPERY BACK AT WORK

W. J. Tippery, assistant western manager Aetna Fire, who has been recuperating at his home in Evanston, Ill., after spending two weeks in the Evanston Hospital with bronchial pneumonia, is now at his office putting in part of the day in service.

### HUNEKE GIVES CHICAGO TALK

A. J. Huneke of New York City, manager inland marine department of the Eagle Star, gave a talk on selling inland marine insurance to the brokers of Youngberg, Carlson Company and their department heads in Chicago Monday. Mr. Huneke has appeared before many insurance groups, talking on inland marine insurance.

### BROKERS TO MEET OCT. 29

Six directors will be elected at the quarterly meeting of the Insurance Brokers Association of Illinois to be held Oct. 29 in the Chicago Board auditorium. Three new directors were nominated by the committee headed by Joseph S. Schwartz. These are: R. J. Migeley, J. W. Losier and J. B. Parker. G. A. Seaverns, Jr., Angus Chassells and A. T. Graham were nominated for reelection. C. E. Nolan, president, and the other officers make up the rest of the board, which will meet soon after it is newly constituted to elect the officers for the ensuing year. About 200 reservations have been made for the first monthly luncheon to be held Thursday noon, Oct. 3, at which Edwin A. Lahey of the Chicago "Daily News" editorial staff, author of a series of article being published on political control and coercion of insurance in Illinois, will tell about this evil. R. C. Geigel is chairman of arrangements. President Nolan will summarize the automobile equity and retrospective rating litigation, which is fast becoming a political issue in the forthcoming state election. Brokers report that Democratic leaders in the state were embarrassed by the insurance department's order to discontinue these types of rating automobile fleets and are seeking to smooth over the situation so as to secure the support of the insurance men in the election.

### HILL HOLMBERG ADVANCED

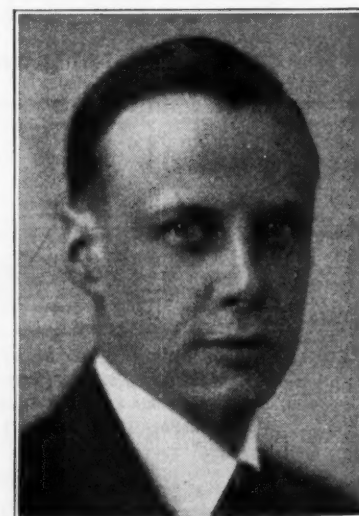
Hill Holmberg, widely known in insurance circles in Chicago, has been appointed assistant to B. B. Gragg, sales

### Pocket Loss Register

THE NATIONAL UNDERWRITER is selling Form 651, Pocket Loss Register, loose-leaf, a complete but very compact loss record covering two facing pages for field men and adjusters. It provides for all necessary information about each loss including record of payment of adjuster's bill for services. Fifty sheets cost 50 cents; 100, 75 cents; 200, \$1.45. The binders cost \$1.75 each.

Don't drop a good prospect too soon. You may have worked him up to the very point where the other fellow gets the business.

## General Chairman

E. S. DAVIS, Cleveland  
Arranged Ohio Agents Meeting



## FAITH OR FORESIGHT?

"WE like your unusual mailing folders on special lines—Use & Occupancy, Rent & Rental Value, etc.—but have you something equally novel that will stimulate interest in our back-bone line, straight Fire insurance?"

When, as often happens, we receive such inquiries from our agents we can answer "Yes!"

Once the cover of "Faith or Foresight" is turned back, an unusual and attention-holding presentation is revealed—a "trick folder" if you like, but one with a result-producing record.

Satisfy your curiosity as to how a Fire folder can be "different" by requesting a copy (no charge or obligation) from Publicity Department,



With "Faith or Foresight" will be included other evidence to support the statement, "It pays to represent a Company of the Royal-Liverpool Groups."

# ROYAL LIVERPOOL GROUPS

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## NEWS OF THE COMPANIES

### Retires as New England Manager L & L & G. Queen

C. L. Purdin, manager New England department Liverpool & London & Globe and the Queen and an officer of several other companies of the Royal-Liverpool groups, is retiring from active



C. L. PURDIN

service. He has been with these companies since 1918. In 1921 he became metropolitan manager in New York, and the next year assistant manager eastern department. In 1925 he became executive manager at New York and four years later when the administrative departments of the Royal and the Liverpool groups were consolidated, he was made manager of the New England department of the Liverpool and Queen. He is secretary of the Star and secretary-treasurer of Prudential of Great Britain. He has been in the fire insurance business about 51 years, having started with the United States branch of Commercial Union in 1889. For five years he was with the United States branch of Nord Deutsche as its agency superintendent, later becoming assistant manager.

The Insurance Clerks Mutual Benefit Association of New York gave a dinner in Mr. Purdin's honor and presented him an engrossed resolution of appreciation of his services to that or-

ganization. He has been a member for 40 years and has served as director, member of the executive committee and president.

### Distribution Was a Dividend

ST. PAUL—When the St. Paul F. & M. increased its capital two years ago from \$4,000,000 to \$10,000,000 by changing par value of shares from \$25 to \$62.50 and transferring funds from surplus, this in effect amounted to a dividend, so the Minnesota supreme court holds in an action brought by E. R. Whitacre against the trustee of the legacy left him by his father, a large stockholder in the company. The will left a sizable block of stock in trust to the son, specifying that dividends of all kinds should be paid the son as income. The trustee contended that the change in par value did not constitute a dividend.

### Security's Assets Are \$11,403,184

In the issue of Sept. 26 an error was made in reporting the assets of Security of Connecticut as shown in the semi-annual statements filed with the Georgia department. Security's assets should have been shown as \$11,403,184.

### Big Kansas City F. & M. Gain

KANSAS CITY.—The Kansas City Fire & Marine reported net premiums written increased 36.55 percent in the year ended Aug. 31. The loss ratio advanced about 3.2 points.

### General of Seattle Surplus

In a recent issue giving the semi-annual statement figures filed in the Georgia department, the General of Seattle was given as surplus \$3,806,658. Unfortunately \$2,000,000 was clipped off the actual amount. The correct figures are \$5,806,658.

### Vote on Renewal of Boston Board Lease

BOSTON—Next Tuesday the 60 members of the Boston Board will vote on the renewal or cancellation of the board's lease to the New England Fire Rating Association. In 1937, after much controversy, the board surrendered most of its rights to the rating body under a lease with the privilege of cancelling it at the end of three years.

Under the terms of the lease the New

### Uses High Power Craft for Publicity Purposes

The Home Mutual Fire with head office at Binghamton, N. Y., has purchased a boat to be used for executive use. J. P. McLaughlin, the secretary, will operate it more than the others. It has an average speed of 60 miles an hour. It is a five passenger Beech craft and is one of the most modern and fastest ships in operation today. Secretary McLaughlin expects to use the craft during the winter and spring for advertising purposes, releasing news items at various places where he will call in conjunction with visiting agents. This is probably one of the first boats of the kind purchased for executive use by any insurance company.

England association agreed to return all property, with additions, and not use such records in the future, if the Boston Board wished.

To protect the corporate existence of the Boston Board, which was believed threatened by loss of its rating power, it was agreed to administer the rate making for metropolitan Boston through a joint committee of the association and the board, although all schedules, rates and other properties went to the New England association. Since the amalgamation, Boston Board quarters, with a manager, secretary and enforcing officer, have been maintained at the expense of the association.

The original vote of the Boston Board three years ago was 30 to 17 against the merger. While the board finally acquiesced, those figures indicated the strong opposition to the move on the part of the older members of the board. There is still today many who would like to make it embarrassing for the companies in securing a renewal of the lease, but there appears little doubt but that the board will allow the companies to continue their authority through the New England association by voting to renew the lease.

Following the meeting of the board the executive council of the New England association will convene in Boston to receive the report of the action of the Boston Board and elect its new officers and prepare plans for the future.

Providence Washington has opened an inland and ocean marine office in St. Louis, under the direction of F. M. Mitchell, marine special agent.

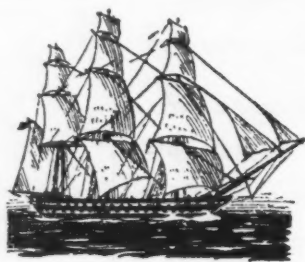


# NATIONAL UNION

## FIRE INSURANCE COMPANY PITTSBURGH PA.



## A LEADER AS A GOOD AGENCY COMPANY



1805

In 1805, the Caledonian Insurance Company came into being. The story of its growth from small beginnings in Scotland into a British Institution with world-wide ramifications is a romance as inspiring as the history of the sea itself. The Company has seen the rise and fall of many institutions but shrewd and conservative finance allied to sound and efficient management has enabled the good ship "Caledonian" to weather all storms.

### ACHIEVEMENT

The United States Branch of the Caledonian Insurance Company undertakes all classes of Fire, Motor and Marine Insurance permitted to be written by a Fire Insurance Company.



1940

**THE CALEDONIAN INSURANCE COMPANY**  
UNITED STATES OFFICE: HARTFORD, CONN.  
ROBT. R. CLARK, UNITED STATES MANAGER  
**S. D. McCOMB & COMPANY, INCORPORATED**  
116 JOHN STREET, NEW YORK  
UNITED STATES MARINE MANAGERS



## Pennsylvania Men in Annual Session

(CONTINUED FROM PAGE 3)

receive very serious consideration by legislators.

President Albert referred to automobile finance business, saying that some companies established relations with local banks whereby special inducements are offered assured purchasing cars on the finance plan, but are not available to other car owners. He said that what appears to be discrimination in actual practice is a technical violation of the anti-discriminatory law but it is avoided by the selection of the company, perhaps one of the fleet which confines its business within the state exclusively to this particular bank hookup operation.

### Regional Boards Started

The president said that it has long been recognized that the success of a state association depends in large measure on the existence of successfully operated local boards. During recent years special attention has been given to the organization of county or regional boards in many states. The most recent regional board in Pennsylvania includes Crawford, Mercer and Venango counties in the northwestern part of the state.

The Pennsylvania association membership includes over 600 agency firms representing more than 3,000 licensed producers.

If the business of insurance meets the increasing responsibilities pressing upon it by reason of the rapidly changing economic conditions in America, there is in front of every one connected with the business the necessity for a substantial amount of clear thinking, careful planning and constructive building, said W. H. Bennett, general counsel National Association of Insurance Agents, speaking on "The Efficiency Factor." Such a movement is a joint enterprise particularly on the part of companies and agents, their boards, bureaus, associations and committees.

### Surety Bonds on Government Contracts

Mr. Bennett said that not long ago there came to his attention a question concerning a reconciliation between certain contract bonding transactions and a portion of the insurance laws of the commonwealth. It was concerned with one of the federal projects involving the necessity of a surety bond.

To start with, Mr. Bennett took an actual case where the government is engaged in building and construction work. In most cases the government proceeds through an endless system of red tape when advertising for bids. There is laid upon the shoulders of the contractor the duty of providing a guaranty from some surety company that work would be performed in accordance with the rules laid down.

Thereupon, the successful bidder, Mr. Bennett said, produces the required bond at the nation's capital. This operation presupposes that the work to be done is without the confines of the District of Columbia, that the contract is made in that district and that the bond is also executed and deposited in the city of Washington.

### Application of Various States' Laws

Now comes the application of the laws of Pennsylvania, for example, and many other states with respect to having insurance and bonding contracts, applicable in the respective states, countersigned by an agent of the company assuming the risk, who is a resident of the state where the work is to be done.

Mr. Bennett said the first time he remembered running into this situation was a number of years ago, where the then attorney-general of a southern state rendered an opinion on a similar setup to the effect that the federal government was not subject to state laws.

Mr. Bennett said he disagreed with the opinion at the time, which is always the inherent privilege of any lawyer with respect to the opinion of another one.

Not over a year ago, the general counsel of one of the Federal boards in Washington wrote a letter to someone in answer to an inquiry along this same line, in which he said that under the constitution the Federal government could not be bothered with 48 different sets of insurance laws and, therefore, the requirements of the government even in the matter of insurance were not sub-

ject to the state laws. Thereby, Mr. Bennett said, it is necessary to conclude that the insurance companies could make contracts with the federal government without any respect to the countersignature or other insurance requirements of the several states.

Obviously, Mr. Bennett concluded, he can only agree with this statement under one condition. He believes where an act of Congress itself specifies how an insurance transaction shall be conducted and concluded, where insurance is a necessary and nominated part of the law,

then such act of Congress would probably take precedence over the state laws.

### National Auto in Indiana

The National Automobile of Los Angeles has entered Indiana. M. W. Latker, from the home office, is in Indianapolis looking over the field for a prospective manager. The company will write all automobile lines and workmen's compensation.

The Ocean Marine has entered Virginia.



PHOTO BY GENDREAU

That's quite a picture, isn't it? A cute kid, a trusting squirrel and a nice bit of photography—all blended to preserve a scene we'll bet you wish you could have shot with your own camera.

Of course, the striking part about that picture lies not so much in what it actually portrays as in what it suggests. The innocence of all little boys, for instance. And the natural friendliness of most of our animal friends. The unseen elements are what "make" that picture.

In a large sense, the unseen elements are what determine the success or failure of company-agency relationships. The helpfulness of fieldmen. The dependability of all office executives. The basic knowledge and understanding of problems whose solution cannot be found in manuals or text books. These are unseen things, intangibles.

But they are the very fabric out of which successful agencies, representing first rate companies, are created.

Only companies which can claim a full share of these business-like, profit-producing intangibles can sincerely invite the confidence, respect and cooperation of progressive agents today. Ours is such a company.

### THE MANHATTAN

Fire and Marine

99 John Street New York City



## NORTH AMERICA GEARS UP AGENCY SERVICE

(CONTINUED FROM PAGE 3)

the North America occasionally to be misunderstood by outsiders.

Anyone who has heard anything about the new North America setup has heard about the service offices, so that is probably the best corner from which first to lift the veil. There are now 23 such offices in full operation, and before the end of the year two or three more will be installed. They are located in the cities that are natural selections. The size of the staff at the various offices ranges from 12 to 40. There is at each place a manager who has at least a conversational knowledge of all of the business that is transacted in his shop—fire, marine, casualty, bonds. Then there is at the office a specially trained man clothed with authority in each of the divisions of the business and there is an engineer.

### Provides Agents With Full Service

Integrated with the conception of the utility of the service offices is that of the necessity of providing the local agent with multiple line service. The profound feeling of the North America on the question of multiple line work is well known in the business. Its officers never lose an opportunity to condemn as artificial the compartments into which the laws have forced the business in this country. Until it is permissible to issue a single policy providing all the coverages that a man may need, the North America will always feel that its service is deficient.

The North America sees the necessity of providing the local agent with multiple line service in a systematic fashion and with the welfare of the assured at heart as outgrowth of conditions that developed in the 1920's. During those years, officials observe, the formation of fire company affiliates by casualty institutions and the launching of casualty companies by fire insurance organizations introduced multiple line operations into this country in widespread scale, and the theory which the companies embraced was that more companies meant more premiums. The North America feels that these promotions were not motivated by a desire to render a more acceptable service to the public so much as they were prompted by competitive considerations. The eye was largely on the turnstile.

### Rendering Service Locally

Then came the depression. Insurance institutions realized that if they were to continue to provide complete facilities for their own self-preservation they must adopt a system of operation.

The North America, impressed with the trend toward multiple line operations and with the increasing demand of the public for this type of service, came to the conclusion that to furnish it successfully it must be done locally. Hence, with the North America, multiple line service and local offices go hand in hand. The idea took hold that there should be created offices equipped to render service across-the-board to the local agent for his clients. A favorite characterization of the theory of the North America service office system is "decentralized production with authority."

"The service to an agent given by the local office must be the equal of that given by anybody," expresses the ideal of the system. The North America undertakes to keep apprised of service that is rendered by others and to incorporate such service in its offices when it is superior. It strives to make its agents completely independent of the need to seek assistance elsewhere. The idea of decentralizing the service arises from the theory that the company should "go out to the public through the local agent rather than make the public go to it."

### Centralization of Detail

Along with the decentralization of production and service to the public in the North America setup goes centralization of detail in the head office—detail in which the agent is not interested.

At the head office, for instance, is decided the underwriting policy, in other words, "the facilities that the company is prepared to place in each service office." The company conceives the local offices as the "eyes of the company." By centralizing detail and utilizing mechanical equipment to the utmost, waste will be avoided, the North America believes. By removing from the local offices all operations except those associated with business production and service to agents, production cost can be exactly determined. The necessity for arbitrary allocations is avoided. Its inland marine setup is an excellent example of what can be accomplished in the way of economy by concentration of detail in the head office. The North America does the largest inland marine business of any company in the country and yet at the head office there are five men conducting inland marine underwriting operations. They are working in the same direction in the fire business.

### Policy for Production Offices

At the head office in Philadelphia there is no work carried on that is classified as production. The production unit is in the downtown office, which operates just as does a local production office in Chicago, Cleveland or other cities.

The North America conceives that the head office gives to the local manager the facilities of the company, and that the local manager has authority to select the business.

The North America believes that a larger share of the premium dollar must be returned to the assured in the way of losses and that this must be brought about by reductions in the rate on the proper classes. Also, the company is fully cognizant that this procedure must go hand in hand with sharp reductions in its own expenses. It feels that loss ratios in the 30's are insupportable. "The public has the right to demand first class service at a reasonable price," it asserts.

### Must Respond to Public Demands

The North America emphasizes a contention and explains to a large extent what guides it in its relationship with the business by stating, "While we realize that in the past the various regulatory bodies of the business have served the public, they can continue to do so in the future only if they keep alive to the demands of the public." The North America believes that rate reductions should be put into effect, when and as the public can be best served, and that it can be best served through the local agent. The emphasis in the business philosophy of the North America organization is to provide "the most economical and the best service to the public through local agents."

### Twenty Years in the Making

The new North America system has been in process of gestation for 20 years. That is, the management in its thinking has gradually fixed guiding principles that were at last translated into the action that has been taken. During the past 10 years the company has been pointing rather definitely to this end. The key to successful introduction of the system was an abundance of manpower of the calibre necessary to give substance to the ideals of the management. The North America through the years has been bringing into the organization men that it hoped would some day fit into the pattern. The educational process has been at work. One man has been put to work teaching others. In the natural course some good men have been trained and made useful and then lost to the organization, but the gains exceeded the losses.

The North America is satisfied that it has the manpower at hand to put the system in operation. It intends to perpetuate the flow of proper personnel.

In this endeavor, the management is pursuing a course that it likes to describe as "homesteading." After a young man has been selected and trained for several years, it purposes returning him on a permanent basis to the field from which he originated, except for those that may be brought to the head office in executive capacities. This practice differs from some insurance organizations that follow the practice of shifting men about the country throughout their entire careers.

The problem of replacement, the management believes, will be relatively easy as the routine becomes established. Moreover, the newer man is likely to be less impressed by the compartments of the business and to regard the business in all its phases. Thus he is likely more truly to exemplify the North America ideal of a complete insurance man than is one who has been grounded in one branch and then is compelled to become conversant with the other lines.

### Function of the Field Man

In the North America scheme the field man is expected to be a service representative rather than a glad handler. Engineering service comprises loss prevention and survey work. The engineer assigned to the local office is expected to give a hand on routine surveys and to be available when some highly specialized work is needed. The agent must provide that service today, if he is to live, and if the agent has to have it, the company must give the agent what he needs.

The agency department at the head office, of which R. Stockton Rush, agency secretary, is in charge, is responsible for the functioning and co-ordination of the production machine. That department gives no attention to underwriting except as a byproduct of an agency situation. The agency department is largely concerned with the maintenance of service and personnel in the production offices.

### Advanced Underwriting Procedure

The underwriting department in the head office is thought of as being in charge of the facilities that are granted to the agency department. There has been put into effect in the North America an advanced underwriting procedure, and it seems to follow a trend that has been manifest in other parts of the world as in this country for the past several years.

It is in connection with the underwriting of fire business that a good many misconceptions have gained currency regarding the North America program. One of the capital features of the new approach is to assign responsibility to underwriters of classifications of business rather than of territorial units. This has led to the belief on the part of many who have not been apprised of the full nature of the program that territorial distinctions of hazard are to be ignored and a risk is to be treated alike from coast to coast. The contrary is true. The underwriter is expected to keep in touch with territorial differences even more closely, to know what facility he can deliver to a particular branch and in what quantity. The difference is that instead of being expected to keep posted on territorial situations in a limited field on a general classification of business, he is expected to know from A to Z the shades of differences in a single classification of business. The underwriter is thought of as being a "professional" in his class.

### No Spirit of Recklessness

There is certainly no spirit of recklessness in the North America. If anything there is a feeling that the underwriting lines must be defined more sharply than ever before. The statistics are so arranged that they run from the state, to the county, to the agent. The same information is available on any one of those three bases. There is a

## Program Announced for Indiana Meeting

The 31st annual convention of the Indiana Association of Insurance Agents will be held at the Indianapolis Athletic Club, Indianapolis, Oct. 29-30. The program is as follows:

### Tuesday Morning, Oct. 29

Invocation, Rev. H. E. Eberhardt, Indianapolis.

Address of welcome, F. J. Viehmann, Indiana Insurance Commissioner.

Response, H. C. Wolff, president Indianapolis Association of Insurance Agents.

Annual report, President W. C. Myers, Evansville.

"Agency Qualifications," John C. Blackall, insurance commissioner of Connecticut.

Committee appointments.

### Luncheon 12-2 p. m.

Local Board Seminar, S. M. Stoner, Greencastle, chairman of board, presiding.

Speakers: Harry Weber, New Albany; J. D. Miltenberger, Muncie; Murry K. Pruyn, Indianapolis; H. M. Lukens, Evansville; Paul Weber, Richmond; Walter Wakefield, Jasonville; John Block, East Chicago; Linn S. Kidd, Brazil.

12:30, Ladies party, compliments of Indiana Association of Insurance Agents. Luncheon bridge.

### Tuesday Afternoon (for agents only)

"Our Present and Future Plans for Action and Development."

Fred C. Richardt, Evansville, first vice-president and state legislative chairman, presiding.

### Tuesday Evening

7 p. m., Annual association dinner dance, President William C. Myers presiding.

Address, "Dust Off Your Sense of Humor," Tom Collins, Kansas City.

### Wednesday Morning, Oct. 30

"Farm Insurance Problems," Bert R. Wallinder, assistant manager America Fore farm department, Chicago.

"What's the Value?" E. M. Talcott, American Appraisal Company, Chicago.

"Modern Merchandising Methods Applied to the Sale of Fire and Casualty Insurance," Henry Olson, First Banc-credit Corporation, Chicago.

"Retrospective Rating," John H. Eglolf, Travelers, Hartford.

Luncheon. Address, Payne H. Midyette, Tallahassee, Fla., president National Association of Insurance Agents.

### Wednesday Afternoon (for agents only)

Reports of committees: Casualty, A. Will Jenkins, Richmond; marine, Edward McLaren, Indianapolis; membership, Howard Bradshaw, Delphi; grievance, J. W. Kirkpatrick, Muncie; chairman of board, S. M. Stoner, Greencastle; fire and accident prevention, Leon Hammer, New Albany; legislative, F. C. Richardt, Evansville; treasurer, G. W. Mahoney, Indianapolis; national councillor, A. L. Jenkins, Richmond; revision of by laws, Howard Bradshaw, Delphi; resolutions, nominating.

Election of officers.

full realization that underwriting conditions vary from state to state, from county to county, and from agent to agent, and the North America is undertaking to keep closely informed of those variations.

The North America anticipates that there will be great reduction in expense inherent in its new system, but the management does not anticipate that there will be a significant reduction in total expense. The effort is made to save in the cost of operations that do not contribute to the service rendered the agent and the public, and to use the savings in intensifying the vital services. The change is to be in distribution of outlay.

### Dates for Women's Convention

NASHVILLE — The 1941 annual meeting of the National Association of Insurance Women will be held here June 20-22, according to Mrs. Howard Robinson, president of the Nashville Association of Insurance Women.

## Advantages of All-Inclusive Policy Stressed at Parley

PITTSBURGH—Advantages of an all-inclusive policy and laboratory sales methods were stressed before 335 agents and salesmen at the Institute of Fire Insurance held here by the American Mutual Alliance. An examination concluded the three-day session.

The ten lectures on the regular program, two to a session, were conducted largely by leading insurance educators. Each was followed by a question and answer forum, with three technical advisors joining the lecturer in answering questions from the floor. Before the examination, A. V. Gruhn, Chicago, general manager American Mutual Alliance, concluded the sessions with a talk on "Insurance and the Public Interest."

### Subjects Covered

The subjects discussed at the lectures were "The Fire Insurance Contract," "Collateral Lines in Fire Insurance," "Increasing Your Premium Income," "Tornado and Extended Coverage," "Measurement of Fire Hazard," "Inland Marine Insurance," "Automobile Property Coverages," "The Agent's Place in Loss Prevention and Adjustment" and "Agency Organization and Management."

J. M. Eaton, assistant general manager American Mutual Alliance, directed the institute and presided at the sessions and Ambrose B. Kelly, attorney of the organization, presided at the forums.

During the evenings, W. H. Rodda, engineer American Mutual Alliance, gave a demonstration of fire hazards and National Retailers Mutual's fire prevention motion picture "A Word to the Wise," was shown. L. A. Fitzgerald, American Mutual Alliance, spoke on "Development of Insurance in American Business."

## West Appointment Stirs Up Colorado Opposition

(CONTINUED FROM PAGE 4)

before leaving the city he stated unofficially that he didn't believe the court decision applied to the insurance commissioner's job. Private legal experts have declared that the governor's appointment cannot have any possible bearing on the permanent status of the commissioner's post, that whoever passes the highest civil service examination will have to be certified and will become the permanent commissioner.

### Only State Under Civil Service

Colorado is the only state in which the position of insurance commissioner is under civil service and this is the first time in 17 years that an examination has been held.

Under one section of the state law the commissioner's office is placed under the jurisdiction of the attorney-general. Consequently when Jackson Cochrane resigned in 1939 Attorney-General Rogers appointed Mr. Kavanaugh, who was then a deputy attorney-general, to serve until such time as civil service examinations could be given.

The governor disputed Mr. Rogers' right to make the appointment, holding that under another section of the law this authority was delegated to the governor. After a delay of several months the governor named Mr. West to the post. Mr. West filed suit in the U. S. district court seeking to enjoin Mr. Kavanaugh's salary. The judge held this was not a federal matter and threw the case out of court. Mr. West has taken no further action to date, never having brought suit in any state court.

Some legal experts predict that pending a decision as to whether the supreme court decision gives the governor the right to make this provisional appointment, Mr. West may now bring suit to try to recover the amount of Mr. Kavanaugh's salary from the time the governor first made the appointment until now.

## Commissioner Blackall Is in Demand for Conventions

Commissioner J. C. Blackall of Connecticut, president National Association of Insurance Commissioners, is in great demand today as a speaker before insurance and other groups. He has been before some of the state associations of insurance agents in New England. He was on the program of the annual meeting of the National Association of Insurance Agents at Buffalo. He spoke this week before the annual meeting of the Ohio Association of Insurance Agents at Cleveland. He is slated to

speak before the Indiana Association of Insurance Agents at its annual meeting in Indianapolis, Oct. 29-30.

He had intended to represent the National Association of Insurance Commissioners at the annual meeting of the American Life Convention at the Edgewater Beach Hotel in Chicago next week but found it necessary to cancel that engagement. His place will be taken by Commissioner McCormack of Tennessee. According to custom, Commissioner Blackall will give an address before the Association of Life Insurance Presidents in New York City the first week of December, the organization always inviting the president of

the association to deliver one of the set addresses. The mid-year meeting of the commissioners will be held at the Pennsylvania Hotel, New York City, that same week.

### NEWS NOTES

Due to a conflict of dates, the annual banquet of the Insurance Society of Philadelphia will be held Feb. 10 at the Penn Athletic Club, Philadelphia, instead of the date previously announced.

Clinton P. Anderson, Albuquerque local agent, won the Democratic nomination for Congress in the primaries over eight opponents.

ALBUQUERQUE  
ALBANY  
AMARILLO  
ATLANTA  
BATTLE CREEK  
BIRMINGHAM  
BOSTON  
BRIDGEPORT  
BUFFALO  
CHARLESTON, W.V.  
CHICAGO  
CLEVELAND  
COLUMBIA  
COLUMBUS  
DALLAS  
DECATUR  
DENVER  
DES MOINES  
DETROIT  
FARGO  
FRESNO  
GREENSBORO  
HARRISBURG  
HARTFORD  
HELENA  
HOUGHTON  
HOUSTON  
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**in 1872**—sixty-eight years ago—its Western Department was launched in Chicago.

**in 1885**—fifty-five years ago—its Eastern Department was organized in Boston.

**in 1895**—forty-five years ago—its Southern Department was established in Atlanta. In this same year its Atlantic Marine Department was founded in New York City.

**in 1930**—ten years ago—launching of Fireman's Fund Indemnity Company completed a Group of five companies having a reputation for strength, permanence and stability.

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## VIEWED FROM NEW YORK

By GEORGE A. WATSON

### NEW EXECUTIVE COMMITTEE

The annual complexion of the executive committee of the National Association of Insurance Agents is always of keen interest. This year the executives did a good piece of work in announcing the personnel a week following the convention. Four of the old committee remained, Wade Fetzer, Jr., Chicago, who is particularly interested in the educational program; L. W. Garlich, St. Joseph, Mo., who is one of the best all-around men in the committee; F. A. Moreton of Salt Lake City, who has proved a very valuable adjunct, and D. A. North, New Haven, Conn., who is doing wonderful work on the membership committee.

The four new men have served as presidents of their state associations and are prominent in state work. G. W. Haerle of Portland, Ore., who is manager of C. W. Sexton & Co., which has its headquarters in Minneapolis, is the immediate past president of his state association. At the Buffalo convention he presided over group 3 of the local board conferences, that being in the high population class. Wayne C. Meek of Seattle thus retires from the committee, having done a good piece of work. Mr. Redden is a North Carolina warhorse who is regarded as one of the strong men of the organization. Mr. Woosley is chairman of the important fire prevention committee and is a very live wire in Louisiana. Mr. Zoercher is one of the Indiana stalwarts who can be counted upon to do a good job. The committee, therefore, is exceptionally forceful and useful.

Those retiring from the executive committee are Past President W. H. Menn, Los Angeles, in accordance with custom, Mr. Meek, A. J. Smith of New York City, and M. W. Boedeker of Louisville. Mr. Boedeker is leaving the local agency business, becoming state agent in Kentucky for the Royal Exchange group.

Mr. Smith had notified the officials that he would not be able to serve another term because of pressure of other activities.

### HUBBARD ADDRESSES INSTITUTE

C. T. Hubbard, secretary Automobile and Standard Fire, speaking at the opening meeting of the New York chapter of the Insurance Institute, discussed "The Value of Insurance Education." He said the individual engaged in any division of the business could look upon insurance education from two important points of view: First, for what it can mean in dollars and cents to the individual, and second and more important, what it produces in the way of joy, satisfaction and the kick one got out of his work in realizing that he understood his business in fulfilling the serious obligation assumed.

Using Benjamin Franklin's axiom,

"An investment in knowledge pays the best interest," Mr. Hubbard said: "The complications of insurance have become so great that no one engaged in the business runs the danger of being over informed. Whether in the field or in the home office, insurance calls for constant and consistent self-education."

He pointed out that in the present day, inexhaustive information is available to everyone on nearly every conceivable subject and that there never was a time when so many useful facts could be obtained for the mere asking.

### PINK APPOINTS COMMITTEE

Superintendent Pink of New York has appointed the following committee to make arrangements for the entertainment of the National Association of Insurance Commissioners when the group holds its meeting in New York early in December: C. W. Fairchild, Association of Casualty & Surety Executives; C. G. Taylor, Metropolitan Life; R. J. Sterrett, Equitable Society; H. P. Dunham, American Surety; A. N. Butler, Corroon & Reynolds; J. S. Phillips, Great American Indemnity, and J. H. Doyle, National Board of Fire Underwriters. The committee met for the first time last week.

### NORTH BRITISH SERIES BROADCAST

As has been its custom for a number of years, the North British & Mercantile again is presenting the broadcast of the world series baseball games this year. A special room in the company's quarters in New York will be reserved for the purpose. Refreshments will be served to invited guests while the games are being played.

### DEPARTMENT MEN GRADUATED

Three employees of the insurance department completed the courses of the Insurance Society of New York, and were awarded certificates by Superintendent Pink. The ceremony was attended by a number of department officials, as well as by President J. J. King of the society and C. J. Stephan of the general educational committee.

### OIL SCHEDULES LARGER THIS YEAR

Fire companies report an increase in the amount of indemnity called for in virtually all oil schedules up for renewal. They attribute this to the recent advance in the price of the product and the anticipation that the demand for oil, which as a rule falls off somewhat through the winter months with lessened motor traffic, will be sustained this year at least, due to the war preparedness work.

### REVISED EDITION IS OUT

The Business Development Office, 116 John street, New York, has put out a 1940 supplement to "Facts and Com-

ments Regarding Sound Insurance." This is a book with 42 pages and deals with general writing mutuals, Associated Factory mutuals and reciprocal exchanges. The original book, "Facts and Comments Regarding Sound Insurance" has been revised, it being a book of 72 pages. It deals with capital stock fire companies, their services, mutual companies, non-assessable policies, mutual policies, general writing mutuals, etc. The revised edition embraces in condensed form all the material which appeared in the original book. Several new sections have been added. The revised edition contains only information of permanent value.

### MEMORIAL ON BULKLEY DEATH

The executive committee of the National Board has adopted a memorial on the death of George G. Bulkley, president of the Springfield group and former president of the National Board. The memorial was presented by a committee

headed by R. M. Bissell, president Hartford Fire.

### LEE TAYLOR ADVANCED

Lee Taylor has been appointed assistant manager of the Sprinkler Leakage and Explosion Conferences. The manager is W. F. Roembke. Mr. Taylor has been connected with the office for five years. W. T. Pell, Theodore Schaeffer and Albert Scabo have been appointed supervisors in their respective departments.

### SECRETARY KNOX TO SPEAK

Secretary of the Navy Frank Knox will be honor guest and speaker at the annual conference of the Insurance Institute of America, at the Waldorf-Astoria Hotel, New York City, Oct. 22. The dinner will be the concluding event of the conference, which will begin with a meeting of the board of governors, to be followed by the general business session at which delegates from various in-

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HOW about  
an agency  
contract  
with a Com-  
pany that  
will help an  
agent when  
help is  
needed?



insurance societies and study groups will report.

The **Central Fire Agency** has been appointed metropolitan district and suburban head agent in New York by the Baltimore American. The appointment replaces representation of the Halifax, which company recently ceased operations in this country.

### Sioux Falls Agency to Observe Its 60th Year

SIOUX FALLS, S. D.—McKinney & Allen are to celebrate their 60th anniversary Oct. 15 by a testimonial dinner. Company representatives will be present from New York, Baltimore and Chicago, and special agents supervising the territory will attend. Old time customers will be invited. The main address will be given by T. H. Foster, president of John Morrell & Co., Ottumwa, Ia. Talks will be made by a company representative, a local agent and a customer.

McKinney & Allen was established in 1880 by the late Mr. McKinney. J. J. Allen, president of the agency, entered the organization in 1885 and is the active head of the business at the present time. Jay B. Allen, vice-president, has been active since graduating from the University of Chicago in 1914. W. W. Burt is manager of the insurance department, and John W. Coughlin is in charge of the real estate loan department. The present modern office is the fourth location in 60 years, one of the oldest institutions in Sioux Falls.

### Keleher Joins General Agencies

LOS ANGELES—Tim Keleher has been appointed assistant manager at Los Angeles, of General Agencies of New York, Pacific Coast general agents of the Houston Fire & Casualty. He will be the first lieutenant of Leonard Hoop who was recently appointed manager of the newly opened office of General Agencies. A native Chicagoan, Mr. Keleher went to the Pacific Coast in 1908 where he was stationed at San Francisco for the German of Freeport, Phenix of Brooklyn, the Ohio German and the Associated Underwriters. Transferring later to Los Angeles, he was manager for Crum & Forster in southern California and Arizona for 18 years, resigning in 1932. Since that time he has been in the general agency business, and in recent years has operated as a broker.

### Fire Rate Reduction Asked

Commissioner Emery of Michigan has received a petition from the Detroit city council for a reduction in fire insurance rates in that city on the ground that there has not been any general reduction since 1923. The city government and the board of fire commissioners also signed the petition. Except for a slight increase in the period from 1934 to 1938, there has been a general decline in the five year averages of fire losses since 1923. The petition pointed out that Detroit is in the highest classification of cities rated by the National Board.

### Hock Superintendent of Agents

C. J. Hock, who went with the Eureka-Security home office in 1910, has been appointed superintendent of agents in the head office of the Pearl-American fleet, of which Eureka-Security is an associate. In honor of his 30th anniversary the executives and department managers held a luncheon attended by O. H. Carlsson, U. S. manager, V. L. Gallagher, assistant U. S. manager, and 12 other executives.

### Bayly, Martin & Fay Reception

New and enlarged offices of Bayly Martin & Fay, Inc., San Francisco, brokerage firm, were formally opened at a reception this week at 114 Sansome street. Affiliation of the old firm of

Spengler & Johnstone and of Henry R. Santlen, became effective. The Spengler & Johnstone business is represented by E. P. Spengler, surviving member. Cantlen until recently was with the San Francisco office of Marsh & McLennan and becomes vice-president and managing executive of the San Francisco office, with E. C. Gunther, secretary, who has been in charge for several years.

### Minneapolis Women Affiliate

The Minneapolis Insurance Women's Association, with a membership of 70, has become affiliated with the National Association of Insurance Women. Miss

Marcella Beise, Investors Syndicate, is president of the Minneapolis organization.

### S. T. Maxwell Celebrates Thirtieth Anniversary

HARTFORD, CONN.—S. T. Maxwell, executive vice-president of the National Fire group, observed his 30th anniversary with the group, Oct. 1.

Prior to joining the National's home office staff Mr. Maxwell was a fieldman for a number of years for Trezevant & Cochran, general agency at Dallas, then and now one of the companies' south-

western managers. He entered the direct employ of the National on Oct. 1, 1910 and moved to Hartford Jan. 1, 1911, being given the title of executive special agent. He was successively elected assistant secretary, secretary, vice-president and executive vice-president.

Mr. Maxwell is a director of the four companies of the National fire group, chairman of the board of the Mechanics Savings Bank of Hartford and a member of the board of the Electric Bond & Share Company of New York.

345 of your questions answered in **Right to the Point**. \$1. National Underwriter.



## The message..

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## EDITORIAL COMMENT

### As Seen by a Purchaser

L. H. WIGGERS, manager of the insurance department of the Procter & Gamble Co. of Cincinnati, well known soap manufacturers, in his talk before the Ohio Association of Insurance Agents referred to the part which, in his opinion, the agent should play in loss adjustments. He plainly stated that an agent should not interfere with an adjustment. But the claimant, he said, has a much more comfortable feeling if he knows the agent is at hand, seeing to it that everything is done in an orderly way. If there is any dispute and the agent believes that his client is in the right, then he should stand up for that claimant, Mr. Wiggers contends. If he feels his client is in the wrong he should stand up for the company.

As Mr. Wiggers points out, when a policyholder has a loss he is in trouble. He needs a friend, he needs advice. He needs to be told what to do. An agent who simply notifies his company or an adjuster and practically ignores the subject from that time on does not justify his position. Some companies, and probably most of them, do not desire an agent to take a prominent part in adjustments. The agency adjuster in many parts has been outlawed because it was claimed by the companies that the agents were using loss settlements largely as a business getting device and were giving the loss claimants too liberal settlements. Therefore, the companies are insisting that losses be settled by company bureaus or independent adjusters.

Mr. Wiggers, undoubtedly looking at the loss adjustment factor from an insurance buyer's standpoint, realizes that a loss does mean trouble and confusion in the mind of the claimant and he does need an understanding counsellor. The understanding agent can do much, therefore, to keep the claimant in the right frame of mind and to see to it that he does receive justice and his loss is

adjusted according to the terms of the contract. An agent in watching the adjustment processes Mr. Wiggers claims, gives the claimant a sense of satisfaction that will not be overlooked.

Mr. Wiggers referred especially to one class of loss settlements which he declares causes much suspicion in the minds of claimants, that being automobile loss adjustments on property damage claims. In his opinion these adjustments cause more dissatisfaction on part of claimants than any other and their minds are poisoned against insurance companies in consequence.

In his opinion adjusters are too suspicious. Undoubtedly they are confronted with claimants who are endeavoring to pad the amount of loss. The adjuster, therefore, feels that he is negotiating with a policyholder who is imposing on the company. Because adjusters are suspicious Mr. Wiggers' opinion is that they have adopted too generally a plan of attempting to settle claims on a compromise basis. It is here that Mr. Wiggers contends that an agent has an obligation not only to his clients but to the insuring public in general to see that claims are properly adjusted.

Just how far companies would feel justified in having agents take a part or use their influence in this direction might be questioned. Honest companies desire to pay honest claims. The claimant who has an honest loss gets honest treatment. Probably some adjusters get too compromise conscious. There is nothing gained in quibbling over justifiable claims. After all the reputation of insurance depends very much on the way claims are handled. Undoubtedly there can be improvement made in the adjusting system but in automobile claims particularly it is often found that usually fair-minded men feel it no harm to go beyond the bounds and impose on a company's generosity.

### Should Have Cost Accounting

IN CONNECTION with the proceedings of the executive committee of the National Association of Insurance Agents, the questions before that body and before others of similar nature are debated and discussed and yet the factual information is not before the members in a way that would enable them to reach logical conclusions. Take, for example, the question of graded commissions on high premium risks or the branch office system or the over riding commission for

those in a supervising capacity. There has never yet been made a research and survey of the situation to enable those discussing it to have before them exact facts and figures. There has not been a cost accounting system put in vogue to cover these items.

Naturally what is needed is a research laboratory, not only to probe into subjects of this kind and gather factual information but to seek new markets in insurance, ascertain public opinion as to

insurance or look into complaints and criticism, study the field for additional application of insurance, give particular attention to merchandising and the adaptation of practical selling methods to insurance. Other great industries have research men of this kind constantly at

work. Large sums of money are paid by insurance for advertising, for public relations work, for investigation into various lines but there has never been a cost accounting system established nor has there been a modern laboratory technique set up.

## PERSONAL SIDE OF THE BUSINESS

**C. R. Wright**, insurance manager of the City Service Company at Bartlesville, Okla., was married to Miss Pearl Sampson of Chickasha, Okla. The newlyweds went on a trip through eastern states and Canada. The ceremony was performed at Winfield, Kan., by Rev. C. A. Kitch of the First Methodist Church there, who is a cousin of Mr. Wright. The bride attended the Oklahoma College for Women and was graduated from Oklahoma University. She had recently been a teacher in the Bartlesville schools. Mr. Wright was educated in the University of Kansas.

**A. W. Dorbert**, Columbus, O., agent, and a field man for 25 years, chairman of the board of trustees of the Eagles lodge, was adopted into the Cherokee Indian tribe and given the Indian name "Lone Eagle" by Chief White Eagle of the tribe.

**R. W. Jones**, supervisor of the plan department of the Factory Insurance Association of Hartford, has just celebrated his 30th anniversary of service with the association, having entered its employ on Oct. 1, 1910. Mr. Jones started as an office boy, later handled clerical duties, then served as a draftsman for several years, including field work, and subsequently was put in charge of the drafting room in which capacity he has continued for many years.

**H. S. Emmerich** of Warner & Co., Fargo, N. D., is confined to St. Luke's Hospital, following an appendectomy. He was inland marine special agent for the Commercial Union group at Milwaukee before joining Warner & Co.

**M. H. Davis**, Concord, N. H., local agent, is manager for the reelection campaign of F. H. Stearns, Republican congressman from that state.

**James R. Donovan**, manager of the agency department of the Automobile and Standard Fire, was tendered a farewell dinner prior to his departure for Cleveland, where he is to be marine manager for the state. C. T. Hubbard, secretary, was toastmaster. Talks were made by Vice-presidents E. J. Perrin, Jr., Olaf Nordeng and D. R. Sibley. Mr. Donovan was presented a wrist watch and a large sheaf of telegrams.

**C. M. Talbert**, president Standard Underwriters Agency, St. Louis, who was fullback on the first uniformed football team at the University of Missouri, celebrated his 70th birthday Sept. 28. He has been a director of the Municipal Opera Association for 21 years.

Judge **Albert Conway**, who has been on the bench of the court of appeals of New York state for the past year, was nominated for reelection at the Republican state convention at White Plains. He served as superintendent of insurance for a time, retiring in 1930 to

accept the Kings County judgeship offered him by the then Governor Roosevelt. Subsequently he was elected a supreme court justice and 12 months ago was further advanced to the court of appeals. Though a staunch Democrat, the esteem in which Judge Conway is held by citizens regardless of their political affiliation is attested by his nomination by the Republican party.

**Commissioner Emery** of Michigan has been named on the advisory board of the Michigan Constitution League, which opposes writing into the constitution a rigid civil service law under which state department and divisional heads, legislators, and even the courts would have extremely limited jurisdiction over state personnel. While favoring the civil service principle, it opposes legislating by constitutional amendment submitted directly to the electorate.

**Thomas G. Linnell**, Minneapolis general agent, has been appointed safety editor of the MAC Gopher, house organ of the Minneapolis Athletic Club.

**Miss Jean Bonner Meek**, daughter of **Homer G. Meek**, Indiana state agent of the London, was married to Henry James Van Dolah, Jr., a chemist. They will make their home in Chicago.

**J. Burr Taylor**, Western Actuarial Bureau, Chicago, after speaking at the annual convention of the Tennessee Firemen's Association at Pulaski, Tenn., went to Nashville for a conference with J. R. Claypool, president Tennessee Fire Prevention Association, and representatives of the state fire marshal's office on plans for Fire Prevention Week in Tennessee.

**Miss Marilyn Sullivan**, elder daughter of **Fred W. Sullivan**, vice-president Firemen's of New Jersey in charge of the Pacific Coast, was married to Raymond Altman in St. Matthews Catholic Church in San Mateo.

**H. Thompson Stock**, well known Detroit local agent, has issued Volume II of "Applied Fire Insurance." He is a partner in the A. J. Stock Insurance Agency. The book is published by the Thompson Stock Publishing Company, 948 Free Press Building, Detroit. Mr. Stock is a well known lecturer and writer on insurance as well as a producer and in this book he deals with the subject in an exceedingly practical and helpful way.

**H. G. Casper** of New York City, United States manager of the Eagle Star, has developed into a grandfather. The grandson was born to Mrs. Gordon Casper, whose husband is with the reinsuring firm of Fester, Fothergill & Hartung of New York City.

**C. F. Liscomb** of Duluth, former president National Association of Insurance Agents, and Mrs. Liscomb were in New York last week at the conclusion of a yachting trip with friends from



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their city. They attended the Buffalo convention of the National association and went through the Erie Canal.

## DEATHS

Funeral services were held last Thursday afternoon in Columbus for **Raymond Rhoads**, 57, assistant superintendent of insurance of Ohio, who died following a heart attack. He had suffered two attacks earlier this year. He had long been active in life insurance work in Columbus. Just a few days before his death he was presented with a certificate of appreciation of his services as president of the Columbus Life Underwriters Association some years ago. He represented the Northwestern Mutual Life before he entered the insurance department.

Former Superintendents C. T. Warner and R. L. Bowen and Superintendent John A. Lloyd were honorary pallbearers.

**T. H. Tangeman** of Columbus, O., former director of commerce of Ohio in the cabinet of Governor White, died at his home in that city last week after an illness of two years. He was formerly a practicing attorney in New Bremen, O. Following his time in public service he became vice-president and counsel of the Columbus Mutual Life. He was regarded as a very high grade man.

**Joseph Froggatt**, 72, founder and president of the public accounting and actuarial firm of Joseph Froggatt & Co., of New York City, died at La Jolla, Cal. A native of England, he came to this country when 19 years of age, locating first in Chicago and later in New York, where for a number of years he served as chief accountant of the United States branch of the Atlas of London, under its then manager, Frank Lock. Convinced there was a field for an accounting office specializing in preparing records for fire and casualty companies, Mr. Froggatt in 1913 founded the firm which he headed, establishing branch offices in different sections to handle its expanding business. His son, Joseph, Jr., is vice-president of Joseph Froggatt & Co., of which his son-in-law, Scott Harris, is also an officer.

**B. A. L. Czerwinski**, 70, Milwaukee local agent, died of injuries sustained in a fall in his home. His son, Max J., is associated with the agency. A native of Poland, Mr. Czerwinski had lived in Milwaukee since youth.

**Jacob Kramer**, 65, founder and president of the Kramer-Kubicek Agency, Milwaukee, died at his home after a brief illness. He began his career in the insurance business at 15 when he became an office boy for the old Phillips & Rebhan Agency, of which he later was treasurer. He founded his own agency in 1925.

**F. M. Wilmanns**, 80, who started in insurance with his father at the age of 16 and remained active until his death, died at his home in Milwaukee after an illness of several days. He was a pioneer member of the Milwaukee Board.

**E. M. Wilson**, head of the Edward M. Wilson & Co. agency, Fort Wayne, Ind., died. The agency was organized in 1875. Mr. Wilson had been in failing health for some time. As a youth he became junior partner of Henry C. Schrader and the agency operated until Mr. Schrader's death some years ago as the Schrader & Wilson agency. Mr. Wilson was three times president of the Indiana Association of Insurance Agents and active in Masonic circles.

**John O. Lindskog**, 55, Minneapolis local agent and immediate past president of the Insurance Club of Minneapolis, died following an extended illness.

**Mrs. Jack Halberg**, wife of the Montana special agent of Northern Assurance, died.

**J. G. Thompson**, 77, former Canadian manager Liverpool & London & Globe, died at his home in Montreal after a short illness. He was a native of Ireland

and went to Canada almost 60 years ago. He entered fire insurance with the old Lancashire Fire and served for some years as Canadian manager. Later he was appointed to the same position for Liverpool & London & Globe, the post which he maintained until his retirement over 15 years ago.

**J. A. Allen**, 57, Allen Insurance Agency, Houston, Tex., died in New York City. He had been a local agent in Houston since 1915, having been a member of J. A. Allen & Company, Allen-Gartner Insurance Agency and Allen Insurance Agency.

**John G. Morey**, 67, retired local agent, died at his home in Louisville.

### McCormack to Give Two Talks

NASHVILLE — Commissioner McCormack of Tennessee, the chairman of Zone 3 of the National Association of Insurance Commissioners, will substitute for President John C. Blackall, Connecticut, in extending greetings to the American Life Convention in Chicago Oct. 7. From Chicago he goes to Dallas where he is scheduled to address the National Securities Commission Oct. 8-10 on "The Sale and Regulation of Securities Sold on the Installment Plan."

### Many North America Men from West Are Now Located in Philadelphia and N. Y.

Westerners visiting the home office of the North America in Philadelphia and the national brokerage and general cover offices in New York will find many familiar faces, since a large number of those formerly attached to the old western department in Chicago are now located in Philadelphia and New York.

Warren Baker, who was formerly chief engineer in the western department, now heads the entire engineering department, with headquarters in Philadelphia. At each of the North America service offices will be located an engineer and Mr. Baker will supervise their work.

E. H. Ryan, formerly superintendent of fire underwriting in the west, is now in Philadelphia in the fire underwriting department and he also handles general agency business.

### Walter Millar's New Post

Walter Millar, who has been manager of the Cincinnati service office for several months and previously was assistant inland marine manager in the west, is also now attached to the fire

underwriting department in Philadelphia under Bradford Smith.

W. J. Gilsdorf, who served for so many years as Ohio state agent, is in the fire underwriting division in Philadelphia.

W. H. Cuthbertson, formerly assistant automobile manager in the west, a past president of the Automobile Superintendents Club of Chicago, is now in the automobile department in Philadelphia.

J. Preston Thomas, another former Chicagoan, is now in the head office marine department.

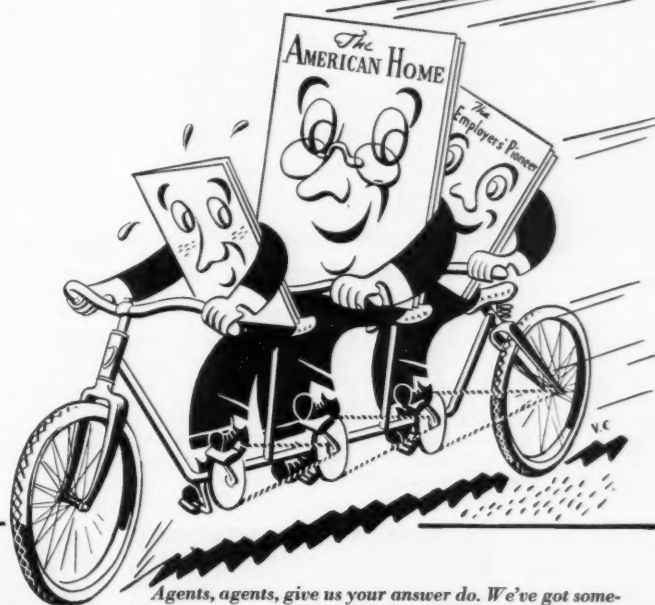
Four examiners from Chicago are now occupying similar positions in Philadelphia, they being O. B. Olsen, Harold A. Larsen, Frank F. Newmann, and W. C. Risener.

William Walters, who was assistant cashier of the western department, now holds a position in the accounting department in Philadelphia.

Walter Herb, from the brokerage department in Chicago, was shifted to the head office brokerage department in New York and A. G. Keats, who was in the general cover department in Chicago, is now in the same department in New York.

A. G. Colavito, formerly of Newark, has opened an agency in Hillside, N. J., under the name of the Servell Realty Co.

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THE EMPLOYERS' FIRE INSURANCE CO. — AMERICAN EMPLOYERS' INSURANCE CO.

# Ohio Agents Rally Draws Big Crowd

## President in His Address Makes Recommendations

### Would Establish Service Department to Assist Members in Financial Trouble

CLEVELAND — Recommendation that the Ohio Association of Insurance Agents establish a service department to advise and assist member agents who are in legal or financial difficulties and thereby avoid agency trusteeships, was made by William A. Earls, Cincinnati, in his annual address as president.

Mr. Earls' further recommendations were for continuance of the educational program inaugurated this year, and abolishment of the office of national councillor as a meaningless title, in view of the Ohio association's separation from the National Association of Insurance Agents.

In the course of his review of the year, he praised the casualty companies for liberalizing the automobile and public liability contracts, condemned "indiscriminate sniping" at admitted foreign companies and counseled against any attempt to introduce a bill providing for a mandatory split in commissions on business written outside the state, until companies and agents can agree on a satisfactory statute.

His proposal for setting up a service department for the benefit of distressed agencies, marks an innovation in agency organization practice. He expressed the opinion that the greatest service a state association can render its members is to provide machinery through which members in distress may obtain prompt and dependable advice when threatened with disaster, and continued:

"As far as I have been able to discover, there is nothing comparable to such a service in any other state association. This proposal was made to the board of trustees at the mid-year meeting, and it was my earnest wish to see it in operation before retiring from office."

"You are well aware that the Ohio

## NEW OFFICERS ELECTED

President—Paul W. Kridler, Fremont.

Vice-President—Glen C. Webb, Lima.

Immediate Past President and Chairman of Conference Committee—W. A. Earls, Cincinnati.

General Counsel—Paul R. Gingher, Columbus.

Secretary-Treasurer—Austin McElroy, Columbus.

Assistant Secretary-Assistant Treasurer—Miss Robley E. Willis, Columbus.

Field Representative—C. B. Plummer, Columbus.

Trustees—Third district, Karl D. Dakin, Lebanon; Fourth District, Bruce C. Shepherd, Dayton; Seventh district, E. B. Berkeley, Cleveland.

Holdover Trustees—First district, F. E. Kirkpatrick, Columbus; Second, T. M. Lynn, Zanesville; Fifth, G. F. Larie, Marion; Sixth, Paul W. Tribolet, Bellevue; Eighth, J. F. Van Vechten, Akron; Ninth, Isaac Griffith, Girard.

Association of Insurance Agents with its present set-up is in position to suggest or hire for the agent the best legal talent obtainable, and the service we have in mind fits in so well that it is opportune to draw it to your attention and to make this department available to agents in need of advice.

### Agents Need Help

"Unfortunately, it sometimes happens that problems both legal and financial have beset agents to the point where they have scarcely known where to turn. In the larger cities, the problem is not quite the same as in the smaller cities and towns and rural communities of the state. Lack of competent legal advice has been disastrous to some members of this association. Some agencies have passed into oblivion through financial embarrassment, not knowing how to meet the situation particularly when confronted with a committee of fifteen or twenty fieldmen representing the companies in the agency, and could do no other than submit to trusteeship."

"A number of old, established agencies (CONTINUED ON PAGE 38)

### Golf Prizes Awarded at Buffet Dinner

About 75 gathered Monday evening for the golfers buffet of the Ohio Association of Insurance Agents, at which John W. Tyler, chairman of the golf committee, presided at the awarding of prizes. The golf tournament had been held that afternoon at the Canterbury Golf club, with 85 playing.

## Convention Banquet Is Brilliant Affair

The convention banquet of the Ohio Association of Insurance Agents will be remembered as one of the most successful and brilliant insurance evenings on record. More than 800 were seated with two head tables of dignitaries in evening dress. The Cleveland Board presented magnificent entertainment in the form of a concert by the famed Orpheus Choir which set the crowd afire and an insurance skit with a lot of pokes at personages well known to the group.

The concluding feature was an address by J. Fred Essary, chief of the Washington bureau of the "Baltimore Sun," which consisted of penetrating observations on current events and trends that delighted the audience. Despite this full program, the banquet adjourned at the seasonable hour of 10:10 o'clock. President W. A. Earls presided and Clarence Johnson, chairman of the public relations committee of the Cleveland Board introduced the entertainment features.

### Ohio Farmers Delegation

The Ohio Farmers head office was represented by President Don McVay, Vice-president J. C. Hiestand, Superintendent of Agents D. L. Jones; Jack McKeown, manager Ohio Farmers Indemnity, Paul Wilder, manager farm department, J. R. Hamilton, manager recording fire department.

K. S. Ogilvie, western and southern manager for Norwich Union, was on hand.

## W. A. Earls' Regime Closes on High Note; Kridler New Head

### Speaking Program at Cleveland Includes Many Men Outside Insurance

#### By LEVERING CARTWRIGHT

CLEVELAND—The convention of the Ohio Association of Insurance Agents brought together some 600 agents and company men. Leaders in the association feel an obligation to produce a program of exceptional quality, particularly because the Ohio group is not affiliated with the National organization. There is an effort to have attractions that rival those of the National convention. The presidential message, for example, is a treatise on national as well as state topics of current importance. The speakers included such headliners from within and outside of the business as John C. Blackall of Connecticut, president of the commissioners national association, Paul L. Haid, president Insurance Executives Association; Superintendent Lloyd of Ohio, L. H. Wiggers, insurance manager Procter & Gamble Company; J. Fred Essary, Washington correspondent of the Baltimore "Sun," and others.

Each of the speakers had his message well in hand, and there were few dull moments. Especially well received was Mr. Blackall's luncheon address. His easy platform manner and sincere, well prepared talk struck the audience most favorably.

### Capacity Attendance

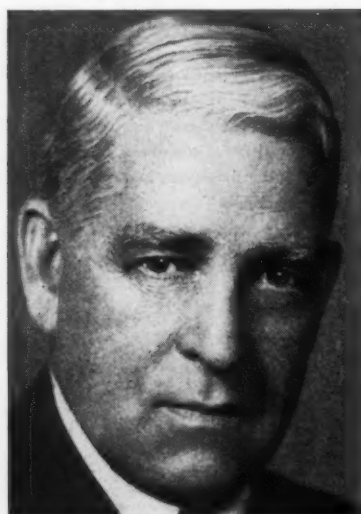
The convention sessions had capacity attendance and the members sat faithfully throughout the proceedings. Because of the importance of the state, the Ohio meeting was attended by a large number of company executives from outside the state and many headquarters were maintained.

The membership now stands at 1,178, a substantial gain for the year.

(CONTINUED ON PAGE 39)



PAUL W. KRIDLER, Fremont  
New President



WILLIAM A. EARLS, Cincinnati  
Retiring President



GLEN C. WEBB, Lima  
Vice-president



AUSTIN McELROY, Columbus  
Secretary-treasurer



## Outlook for Farm Writing Agents Is Roseate in Hue

**B. R. Walinder, Assistant Department Manager America Fore, Points Way**

"The Outlook of the Farm Writing Agent" was the subject of an address by B. R. Walinder, assistant manager farm and hail departments America Fore, to the Ohio agents. The farm writing agent, he said, does have a bright future and all agents, with the possible exception of those in the larger cities, should be farm agents. This, not only for the direct benefits to be derived but also for the indirect benefits.

"These indirect benefits should be explained. Not long ago," he added, "farm insurance problems were believed to be of interest to farm agents only. Today more and more agents are coming to realize that there is a close connection between the farmer and town business. Perhaps this was what was meant by a newly elected president of one of the state associations who said that the stock companies must take on farm business whether they like it or not for the reason that so much future business is tied up with it."

### Preparing for Later Business

"As an example, when the more successful and intelligent farmer retires and moves to town, he is often elected to a school board, church board, or town council and as a member of some such board he has a voice in the placing of their insurance. If for years he has been permitted to carry his farm insurance in some mutual and has had no unpleasant experiences, it is only natural that he should favor placing the town business in a mutual. Can't you hear him say, 'Well, I lived on a farm for 40 years and always carried my insurance with the mutual. It worked out all right there so I don't know why it wouldn't be all right for our church or our school or our public buildings.' The result is that resistance is encountered which might have been avoided."

### Cultivating the Boys

"Furthermore, the boys of today are the men of tomorrow and each year," added Mr. Walinder, "a great number of farm boys migrate to the cities where they eventually become buyers of insurance. Cultivating these boys through their fathers should bring worthwhile rewards."

"The companies on one hand, and the local agents on the other, can be likened to two armed forces. These forces are not arrayed to do battle with each other, but rather to work jointly. Even though the combined forces of this general staff (the companies) and the field army, the local agents, present a formidable front, they are not as strong numerically as they should be. One reason for this is that a number of companies formerly members of this general staff have either withdrawn from the battle entirely or else have curtailed their activities."

"This action was taken as the result of the defeat suffered in the way of high loss ratios," the speaker explained. "It is a well known fact that the farm fire insurance business was for years in ill

(CONTINUED ON PAGE 32)



B. R. Walinder

## Blackall Urges All Agents to Watch Sign and Not Do Plunging

Commissioner J. C. Blackall of Connecticut, president National Association of Insurance Commissioners, in his talk before the Ohio Association of Insurance Agents, said that the insurance business is not a channelized business which goes on its way oblivious of whatever is happening in other walks of life. It is a component part of the whole financial and economic structure. Insurance policies are sold generally because clients actually need them. There is really no free choice. If a man owns a house, or is an officer of a corporation which owns substantial property or buildings, of necessity he must have fire insurance. He knows that if he drives an automobile or is interested in a corporation that has a great many cars, thousands of people are killed and injured each year as a result of which tremendous sums are paid in compromise, or by way of court judgment. He fortifies himself against the contingency of his car being involved in such a situation.

### Service of State Departments

Mr. Blackall said that insurance supervision by the various states does not necessarily arise out of the contents of the policies themselves, but has become part of the government for many reasons, one of the most important being that the substantial financial assets in the hands of insurance companies acquired through the conduct of their business must be administered in a way to indicate that the companies act legally and properly and that policyholders and third party claimants are treated correctly and equitably.

He said that insurance funds flow into and stimulate all other avenues of various activities.

### Seeks Greater Uniformity

It is natural, he said, that in the course of years differences should arise between agents and companies as to the best method of placing business on the books, particularly in a country so vast as the United States. It is difficult to have absolute uniformity. The National Association of Insurance Commissioners has constantly given momentum to the tendency toward uniformity. There is a time for controversy, Mr. Blackall said, and a time for unity. Now, he declared, is a time for unity.

No one can conclude that this country will be untouched by the tremendous movement in international affairs, he added. Immense sums are being paid for defense. It can, therefore, be seen that in everything affecting insurance there is bound to be a great appreciation in premium income, at least during the next three or four years. If happily by that time, Mr. Blackall said, the international picture has clarified without the United States being drawn into the war, it must gird itself for the reaction that is inevitable.

### Must Watch His Step

Therefore, the smart agent, he continued, and particularly those interested in or controlling agencies doing a large amount of business should adopt one of the oldest principles of insurance and see to it that their own expansion in the immediate future is controlled, and that reserves are built up to absorb the shock that must later come. If this is done, he said, the adjustment will be normal. In concluding, Mr. Blackall said:

"In my opinion the American agency system is here to stay. It is the veins through which the life blood of the insurance companies, namely, premium income, flows constantly. I trust that it will be broad enough in its statesmanship, and its approach to problems to see beyond the present event, and conserve by wise foresight the great advances it has already made."

## Buyer of Insurance Makes Some Pertinent Comment

L. H. Wiggers, manager insurance and real estate department of Procter & Gamble Company, Cincinnati, spoke on "An Insurance Buyer Looks at Insurance Agents." He said that his firm prefers to buy insurance instead of having it sold to the house. The agent who presents his goods attractively makes Procter & Gamble want them, he said. However, he must have something which will help the firm and not mean only a commission to himself. He said that "we buy insurance for one of two reasons and sometimes for both—financial protection and service."

### In Position of a Broker

Mr. Wiggers said that an insurance buyer having many risks to insure is somewhat in the position of a broker. He must look around and find the market which seems to provide the best coverages. Large concerns, he said, necessarily are targets and this has a tendency to make the buyer of insurance cautious. Some insurance agents, he said, are able to tell Procter &

Gamble where it may obtain insurance and others not. A good many agents, he said, proceed on "bluff." Sometimes one puts off the buyer by saying that he will look it up and he gets in touch with his chief office or field man and in a week or 10 days a special agent or representative appears. Then only is it possible to make any progress toward a solution of the problem, Mr. Wiggers said.

Where an agent is undecided what to do and can get the information the next day or two he is the man that Procter & Gamble likes to do business with. The firm, Mr. Wiggers said, does not expect the impossible of an agent but after all "we are in the market to buy something which the agent presumably has for sale and we expect a 'yes' or 'no' answer without long delay."

### Some Agents Particularly Alert

Some agents are unusually capable and alert to their client's needs and some are not. He referred to one agent

(CONTINUED ON PAGE 32)



## SIZE US UP

AS TO:

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Congenial Relationship with Agents  
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Progressiveness"

If you are interested in increasing your volume of Automobile Insurance premiums—of General Liability, or of Glass—we will appreciate the opportunity of talking with you about it. Agents in Ohio, Indiana, Kentucky, Iowa, Kansas, Nebraska, Colorado, California, Virginia, Pennsylvania, Maryland, and District of Columbia, are cordially invited to write us—now.

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## Fundamentals Dealt with by John Lloyd at Ohio Convention

### Insurance Superintendent Predicts That Only Strongest Will Survive

Insurance Superintendent John A. Lloyd spoke before the Ohio agents. Prior to being in his present position he was executive secretary and manager of the Ohio Association of Insurance Agents and, therefore, was talking to old friends. He took as his general subject, "The Local Agent." He occupied his position with the Ohio association five years. In his work Superintendent Lloyd became acquainted with agents' problems, hopes and aspirations.

He stated that in 1830 the first agent's license law was passed in Ohio. Also in that year the legislature provided limited supervision of companies for purposes of taxation, vesting the authority in the state auditor. He called attention to the fact that in 1830 Ohio was but one step removed from unmarked wilderness and the wild frontier. Home offices were far away. This element alone made the local agent of prime importance. He was practically the company. He added that it was important at that time to know that the agent was honest and trustworthy, a person suitable to perform the important task of placing contracts of insurance in the state. He declared that it is still important that he have these qualities. While communication and travel have entirely changed the picture, yet the multiplied complexities of modern business have made the agent an important factor for new and modern reasons.

#### Agents Are Protected

Over the years Mr. Lloyd said the legislature has taken steps to protect the agent in his business. Ohio has a resident agency law and there is a line of court decisions holding that the agents own their expirations. In addition to such protection as the law offers the agents, they have taken steps to protect themselves through organization. He finds that self regulation of industry is the healthiest insurance for industry. He counseled the Ohio association members to build it stronger, bigger and better. Reserve funds, he said, should be created against the deepening panic which will come in the post-war period. That should be done by every agency as well as by the association, he added. He predicted that only the strongest of men, businesses, institutions and governments will survive the coming year. The principle of building reserves will reward everyone in the economic holocaust to come, he said.

#### Agency Competition

Superintendent Lloyd said that agents are faced with competition not only from each other but from several outside sources which have made serious inroads

(CONTINUED ON PAGE 33)

## Robley Willis Gives Report Showing Year's Highlights

Miss Robley E. Willis, assistant secretary and assistant treasurer, in her report said that a membership gain and a new high record for its entire history was one of the highlights of the year. The second was the educational program developed around a series of publications and a state-wide seminar. Next was the long and historic battle to preserve for agents the business on property mortgaged to the HOLC. A membership campaign was organized county for county around the work of Field Representative C. B. Plummer. The report said it probably will require two more years to complete this intensive type of solicitation. The Ohio Association began the year with 1,108 agencies. During the year 117 new memberships were received and 38 were dropped, making the total now 1,187 or a net gain of 79.

#### Unauthorized Carriers

The report said that the association has been very aggressive in its efforts to curb the inroads of unauthorized carriers writing business in the state, either by mail or by the bootleg route. Chief of the offenders is London Lloyds. A special committee was appointed on unauthorized insurance with C. R. Laursen of Canton as chairman. The association is cooperating with Insurance Superintendent Lloyd in a state-wide campaign to educate the people not to buy from unauthorized companies.

As to financed cars, the report said the outstanding development in Ohio was the ruling of Superintendent Lloyd holding that return premiums and dividends must be paid directly to the maker of the note.

A major project of the year was the campaign among life companies to secure their cooperation in a movement to eliminate coercion of insurance on properties owned or mortgaged to such companies. A number of the companies signed this pledge. Another outstanding accomplishment has been the clarifying of the status of agents and solicitors under the unemployment compensation act.

#### Strict Enforcement of Laws

Superintendent Lloyd at the suggestion of the association issued clarifying rulings during the year advising companies and agents how foreign brokerage may be handled legally in the state. Miss Willis in her report stated that it has long been the policy of the association to seek strict enforcement of the insurance laws and urge its members to comply not only with the letter but also the spirit of the statutes. During the past year the relationship between the association and the insurance department has been very cordial and cooperative, the report said. In the year just closed, a new peak in accomplishments along this line was reached. During the year the association has had 364 separate proceedings in the insurance department. Of these 74 were in process at the beginning of the year, 290 were instituted and 280 concluded during the period. The report said that the vigor with which the insurance laws are being enforced by the present superintendent is to be seen in the records of the department.

Attention was called to the fact that this fall a new legislature will be

## Good Citizenship Owes Debt of Gratitude to Insurance

Earl W. Hodges of New York City, Public Relations Director, Cities Service Co., spoke at the noon luncheon Wednesday. In substance, he said:

"It is not at all original to state that salesmanship is a game, a business and a profession. In these designations and other kindred ones, it keeps the world rolling along. Whatever our business or professional connections, or our positions or jobs, we are all salesmen. We sell character and good citizenship by our own conduct. We are salesmen of law observance, and of patriotism and reverence. There should be no finer or higher example in all the world of the good citizen than that of a first class salesman. Selling insurance is really selling present protection and future

comfort and happiness. A well insured community, both as to life and property, is one that never faces financial worries, but one which steadily builds prosperity.

#### Insurance a Big Business

"All of us realize that insurance in its various branches constitutes one of the world's largest and most successful businesses. From small beginnings and through wise counsel and hard work it has been built solidly upon common sense principles and upon energetic and ethical salesmanship. Insurance really began in the earliest civilization. It came into being more definitely in the Garden of Eden. The joys of paradise were promised for the simple premium of obedience, and the beneficiaries were promised unlimited happiness, but a serpent entered the garden and caused a violation of premium payments, and trouble began in the modern world. There are still those few who violate promises and disregard pledges and fail to live up to the rules of fair dealing, in all lines of business and in all professions. They cause worry and trouble, but there are so many millions of us who try to play

(CONTINUED ON PAGE 31)

## THE OHIO CASUALTY INSURANCE CO.

HOME OFFICE - HAMILTON, OHIO

Assets over  
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**Full Coverage Automobile  
Fidelity & Surety Bonds  
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*We are equipped to render efficient engineering service on your Ohio business*

88 YEARS OF INSURANCE SERVICE  
**THE EARLS-BLAIN COMPANY**  
**THE LAWS' INSURANCE AGENCY CO.**  
CINCINNATI, OHIO



## Sees Many Opportunities for Group Solicitation

A. E. Armstrong of Cleveland, field supervisor group and pension divisions of the Aetna Life, was to speak to the Ohio Association of Insurance Agents on "The Development and Sale of Group and Hospitalization Insurance." In his absence on account of illness, George G. Walsh, Aetna group manager in Cleveland, read his paper. He divided his subject into three parts, first, showing the present day modern group business is a very large and important business; second, he acquainted his hearers with hospitalization insurance as it is being written today, and, third, he discussed the sale of group insurance lines.

He said that death, disability, dependency in old age constitute the triple threat to all who work for a living. He declared that group insurance in its several forms has helped to remove this triple threat. The earliest form of group insurance written covered death only. In 1912 the first group life policy was written. Life insurance on the individual basis had already made great strides. At that time there were 19

billions of insurance in force in this country, yet only a small part covered the working class.

Since its beginning, group life insurance has enjoyed a steady growth. At the end of last year there were nine companies writing about 96 percent of group insurance with policies in force on 20,000 business concerns covering 8,000,000 employees for \$13,500,000,000 insurance. Last year over \$100,000,000 in claims were paid under group policies. A large proportion of the cases revealed that group insurance was the only estate left of the deceased. On the average the amount of insurance is equal to about one year's earnings.

### Pinched by Loss of Earnings

Mr. Armstrong said it was not long before it became evident that it was not enough to protect employees against death. Loss of earnings, resulting from illness and accident was very important. Workmen's compensation laws cover occupational accidents only. All compensable disabilities, he said, represent only

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### Convention Committees

President Earls appointed these convention committees:

Credentials—John A. Barto, Painesville, chairman; Helen Stecher, Upper Sandusky, Cyrus Watson, Dayton.

Resolutions—Theodore Safford, Cincinnati, chairman; John Barrett, Cleveland; Karl Dakin, Lebanon; J. F. Furniss, Lancaster; L. Calvin Jones, Youngstown; Walter Kountz, Toledo; J. R. Neff, Bucyrus; F. P. O'Connor, Lima; Robert Stuart, Steubenville.

Rules—Francis Whitaker, Wooster, chairman; R. P. Reutler, Sandusky; W. A. Wallace, Newark.

### Ohio Department Exhibit

An innovation at Cleveland that was much appreciated was the headquarters maintained by the Ohio insurance department. An exhibit of the various departmental forms was on display and a battery of department men was available for consultation. The group was headed by Superintendent John A. Lloyd. Included were J. R. Crabbe, deputy; L. V. Jeffries, warden; V. G. Martin, license chief, and Wm. Meesie, who conducts agency examinations. Mr. Meesie held an examination in Cleveland Monday and at Youngstown Tuesday, but he was at headquarters between times.

### Fat Registration Envelope

The registration envelope was fat with useful gifts from companies, including a contract bridge bidding guide and pamphlet of forms for recording bowling scores from St. Paul F. & M., simplified dwelling rate schedule chart from Agricultural, contract bridge score pad, America Fore, the convenient memorandum pad that is always given at conventions by Royal-Liverpool, and the interesting gadget for testing automobile brakes that is offered by Ocean Accident.

### Sidelights on Ohio Agents' Convention in Cleveland

Carl Claussen, western manager of London & Lancashire, maintained headquarters in Cleveland for the Ohio agents convention.

A. C. Supplee, Pittsburgh manager of U. S. F. & G. whose territory embraces northeast Ohio, motored to Cleveland with Mrs. Supplee. He set up an attractive U. S. F. & G. display. He will also attend the convention of the Pennsylvania Association of Insurance Agents in Pittsburgh Thursday and Friday.

W. L. Greenway, western manager, represented Pacific National Fire and was in charge of the headquarters suite.

The new vice-president, G. C. Webb of Lima, was unable to attend, as he is serving on the federal grand jury in Toledo.

John Urmsen, secretary and vice-president of London & Lancashire Indemnity, made the trip from Hartford.

At the suggestion of Superintendent John A. Lloyd, the association extended invitations to the convention to all living past superintendents of insurance of the state. They are: W. C. Safford, Cincinnati; Robert Crew, Columbus; C. F. Warner, Columbus; R. L. Bowen, Cleveland.

From the western department of Springfield F. & M. to dispense headquarters hospitality came E. G. Frazier, secretary, and Emil J. Hepp, assistant secretary. H. R. Tldrick, state agent, was carrying a hand in a bandage, because of injuries suffered when his gas furnace exploded.

Among prominent insurance company officials at Cleveland were W. O. McLelland, vice-president in charge of the home office of American National of Columbus; A. W. Barthelmes, marine manager of North British & Mercantile; E. D. Lawson, western manager of Fireman's Fund; Geo. F. Ainslie, Jr., superintendent of agencies American Surety.

Behind the speakers rostrum was a panel whereupon was inscribed the Latin word "Salve." Vice-president Paul W. Kridler said that the members should realize that this was a Latin inscription

and should not be interpreted in the English sense.

Vice-president E. A. Henne and Secretary H. W. La Rue of America Fore formed a guard of honor for B. R. Wallander, acting farm manager of America Fore who was a convention speaker. America Fore maintained a popular headquarters.

A popular young man in the Ohio field is B. W. Hopkins, special agent for Hartford Fire. His father, B. C. Hopkins, is a prominent local agent of Des Moines and is a past president of the Iowa Association of Insurance Agents.

Jean C. Hiestand, vice-president of Ohio Farmers, spent a few hours at the convention before leaving for Atlanta to attend the meeting of the Western Insurance Bureau.

American of Newark had a headquarters suite in Cleveland in charge of H. E. Taylor, advertising manager at the home office. En route, Mr. Taylor stopped off to give an explanation to the Herberich-Hall-Harter agency, Akron, of the American's ingenious "Risk Detector" program.

F. E. Bradenbaugh, Pittsburgh manager of Hartford Accident, attended the convention. He was at the Buffalo convention of the National association two weeks ago and will be at the Pennsylvania agents convention in Pittsburgh later this week. "Buffalo, now Cleveland, then Pittsburgh, then the cemetery," Mr. Bradenbaugh exclaims.

### New Ohio President Insurance Man Since 1908

The new president of the Ohio Association of Insurance Agents, Paul W. Kridler of Fremont, is a man who has gained the respect of the organization during the past few years that he has taken an influential part in its affairs. He served during the past year as vice-president and before that for three years he was a trustee. He has a long record of agency service, in 1908 having entered the agency that was established by his father, Wm. B. Kridler, about 1876. Mr. Kridler operated the agency with his brother, Walter Kridler, until the latter launched his own agency in Toledo. Mr. Kridler is a past president of the Fremont Board. Associated with Mr. Kridler is his son, William Kridler, who attended the Cleveland convention.

Hartford Fire maintained headquarters, in charge of P. S. Beebe, assistant western manager, and E. C. Staunton, marine manager from Chicago.

The title "national councillor" has now been abolished in the Ohio association and the office is now known as "immediate past president and chairman of the conference committee."

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**THE OHIO ASSOCIATION OF INSURANCE AGENTS is  
the only statewide organization of agents, exclusively, in  
the Buckeye state.**

**It Represents The Agent's Viewpoint.  
It Fights the Agent's Battles.**

**To every Ohio agent, the state Association is indispensable—  
It is the last line of defense for your business.**

**Are You Supporting Your State Association?**

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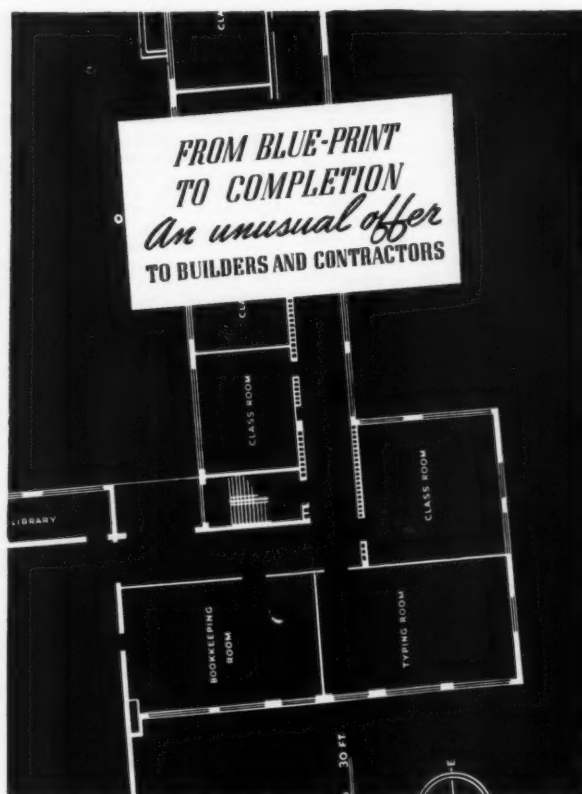
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## BUILDER'S RISK INSURANCE *Meets the Need of the Hour!*

NEW construction, both commercial and residential, is definitely on the increase and it is anticipated that national defense activities will give rise to a greater building boom than the country has experienced in many years.

To meet the insurance needs of builders and contractors, we offer "streamlined" builder's risk policies affording the most complete protection and service obtainable.

To assist agents and brokers in placing this business, we offer up-to-the-minute advertising and sales helps. Your inquiries are invited.

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# The NATIONAL UNDERWRITER

October 3, 1940

CASUALTY AND SURETY SECTION

Page Twenty-three

## Bright Future for Trucking Industry Is Predicted

### Kenneth Spencer Makes Two Day Inspection Tour of Akron Motor Transports

AKRON, O.—After a two-day inspection of Akron's trucking industry, Kenneth Spencer, president Globe Indemnity, declared that no other industry faces the prospects of a brighter future than does the trucking industry, provided of course that leaders look beyond



KENNETH SPENCER

present petty troubles and build their businesses with a long range viewpoint.

Mr. Spencer came from his New York office to the "capital" of motor transports to get first hand information on safety, business methods, records and regulations of the industry from those who operate it. While in Akron, a dinner at which 50 owners and executives of long haul freight lines attended was given him by J. G. Gaines, Globe Indemnity general agent, who specializes in trucking insurance.

Mr. Spencer told the trucking operators that they should look beyond the trade barriers, the unfair rate reductions and the heavy tax burdens of today and build their operations for tomorrow, because "the trucking industry with its flexible, economic and fast direct service, is building a place for itself in transportation. It should not be looked upon as a hit or miss necessity to meet present needs, but with a long range viewpoint of how it will affect your business and position in future years."

Mr. Spencer on the inspection tour talked with drivers, mechanics, dispatchers, freight handlers, claim managers and truck executives. He made the

## Miller Will Manage Assigned Risk Plan

### Special Deputy Illinois Department Arranges for Part Time Basis

H. A. Miller, special deputy of the Illinois insurance department, goes with the Illinois Automobile Assigned Risk Plan on a part time basis as manager with offices in A-1046 Insurance Exchange building, Chicago. All companies writing automobile public liability in Illinois have signed. Mr. Miller remains with the department on a part time basis but will not take up any questions that arise between the assigned risk plan and the department, leaving the adjustment of any such issues to other persons.

The governing committee of the assigned risk plan consists of the Zurich, Lumbermen's Mutual Casualty, Chicago Motor Club Inter-Insurance Exchange, American Automobile and State Farm Mutual Automobile of Bloomington. Mr. Miller during his service with the department has given almost all his time to automobile rating and other points in connection with that insurance class. He was formerly assistant western manager of the North America and is well qualified in every respect. The assigned risk plan went into effect Oct. 1, when Mr. Miller took charge. He has been working for some weeks for the committee in shaping up the details.

### Must Pay for Own Bond

AUSTIN, TEX.—Reuben Williams, recently appointed casualty insurance commissioner of Texas, must pay personally the premium on his official bond, the attorney-general has ruled.

The comptroller's department had declined to approve a bill for payment of the premium on the \$5,000 bond and the attorney-general pointed out there was no state appropriation for the cost.

### Writing Aviation Insurance

The Employers Liability and American Employers are prepared now to write aviation casualty insurance. It is to be handled under an arrangement with the general agency firm of Newhouse & Sayre, 116 John street, New York. In general all classes of aviation casualty lines will be considered. The Employers Fire is already in the field of aviation hull insurance.

rounds of large and small terminals, looked over tariff files, storage and stock rooms, record rooms, climbed in and out of tractor cabs and inspected many types of modern safety equipment.

On freight docks he examined all sorts of shipments, from tiny cartons of candy bars to a 12-ton compressor. He is particularly interested in safety gasoline tanks, which will not leak or explode in a crash, air brakes, tractor sanders, turnover switches, defrosters and modern lighting systems.

Globe Indemnity records show an increase in motor accident frequency, but statistics show that truck drivers have a higher percentage of safety than do passenger car operators.

## Advance L. A. Mills in His Organization

### Becomes Secretary Association of Casualty & Surety Executives

NEW YORK—Louis A. Mills, who was elected secretary of the Association of Casualty & Surety Executives at the meeting of its executive committee, has been prominently identified with organization activities in the casualty business since 1918. In his new post he succeeds F. Robertson Jones, who now becomes secretary emeritus. A native of New York, Mr. Mills is a lawyer by profession, holding membership in the bars of New York and New Jersey, in which states he practiced for several years.

### Went With Publicity Bureau

Upon leaving military service at the conclusion of the World War he was employed by the Workmen's Compensation Publicity Bureau, of which Mr. Jones was then head. When its functions were absorbed by the Association of Casualty & Surety Executives, Mr. Mills continued with the enlarged organization, being advanced to assistant secretary when illness forced Mr. Jones' retirement from active service several years ago.

Throughout his long connection with the related organization bodies Mr. Mills has displayed a knowledge of the casualty business that made his services of pronounced value, a fact recognized by the member companies through his important advancement.

## U.S.F.&G. Conference to Be Held in Chicago

A two-day regional educational conference will be conducted by the U.S.F. & G. in Chicago Oct. 7-8, to be attended by a number of home office officials from U.S.F. & G. and Fidelity & Guaranty Fire, the associated company. R. Howard Bland, chairman U.S.F. & G., will lead the delegation from Baltimore, which will include P. F. Lee, vice-president and agency director; O. R. Leeds, and J. D. Hall, assistant agency directors; J. F. Matthai, vice-president; C. J. Fitzpatrick, secretary, and H. F. Ogden, president F. & G. Fire.

W. O. Schilling, Chicago manager U.S.F. & G., will preside at the first business session, which will open at a luncheon. The various officials are on the program to give talks. There will be a social hour the first afternoon, and a dinner that night, with Manager Schilling as toastmaster and Chairman Bland and President Ogden as chief speakers.

W. S. Lane, city supervisor, Chicago, will preside at the second morning business session. There will be a "silver dollar" quiz, followed by talks by E. H. Follingstad, Cook county manager F. & G. Fire; W. J. Jeffery, superintendent casualty department, Chicago, and District Supervisor L. K. Mertz, A. L. Valentine and W. O. Schilling, Jr., all of Chicago. The conference will close with a luncheon.

## Palmer Charges Objector Breaches Manual Filings

### Court Answer Claims Policy in Evidence Is Fictitious Fleet

In answer to a question, the Illinois department has stated that it will defer enforcement of its order against equity rating and retrospective rating for automobile fleets pending the outcome of the two suits contesting the order. The rule was to have become effective Oct. 1. The two companies in court, Continental Casualty and American Automobile, have obtained stays and the insurance department felt it would not be equitable to require compliance from the companies which have not challenged the order.

An unexpected turn was given the legal controversy in Illinois over Insurance Director Palmer's order outlawing equity rating in automobile insurance last week, when the insurance department made some counter-charges against Continental Casualty in the suit brought by that company for review of the order. Continental Casualty has a suit pending in the Cook county circuit court and American Automobile has one in the superior court of the same county.

The circuit court suit was brought in the name of Continental Casualty, Federal Storage & Moving Company, an assured of Continental Casualty, and C. E. Nolan, broker on the line. Mr. Nolan is also president of the Insurance Brokers Association of Illinois. Included as an exhibit in the complaint was a policy issued by Continental Casualty to the storage company with Mr. Nolan as broker.

Mr. Palmer's answer, which was filed last week in the name of Attorney-general Cassidy, charges that Continental Casualty violated its own filings in the policy set forth in the complaint. It alleges that five of the private passenger automobiles scheduled in the policy are not owned by the storage company and hence that the contract covers a fictitious fleet. Several other violations are also charged.

The balance of Mr. Palmer's answer is similar to his reply to the suit of American Automobile, reported in THE NATIONAL UNDERWRITER last week.

Chicago insurance circles are awaiting the next move with interest. It was indicated that the attorney-general's office will not consent to the withdrawing of the policy offered as evidence and the substitution of another, although some observers think it would be possible for the suit to be withdrawn and another commenced. Others believe the suit will be prosecuted, the plaintiffs alleging that any violations in the policy, even if proved, will not affect the merits of the case against Mr. Palmer's order.

## Travelers Arranges New York City List

### New Appointments Were Announced at a Dinner Given by Home Office

NEW YORK—Its permanent organization in casualty insurance lines in New York City was announced by the Travelers at a dinner. During the dinner, which was attended by the staff in the metropolitan area and by a number of the officials from the home office in Hartford, the new appointments necessitated by the retirement of Vice-president John McKinley and the death of Casualty Manager J. E. Gossett were announced. Chief among the home office officials present was L. E. Zacher, president of the Travelers.

#### Appointments Announced

H. A. McKay, who for the past two years has been assisting Mr. McKinley and has been serving as general manager of the casualty office at 55 John street, was officially announced as superintendent of agencies in the metropolitan area. R. W. McClaskey has been appointed general manager of casualty lines at 55 John street, assisted by Dean M. Parker as manager of workmen's compensation, liability and automobile lines, E. L. Randall as manager of indemnity lines, M. L. Perry as manager of fidelity and surety, and N. R. Clark as manager of the brokerage division. N. M. Paul was announced as successor to Mr. McClaskey as casualty manager of the 42nd street office. James Beattie, who has been manager of the brokerage division in the 55 John street office, has been made casualty manager of the large office at Cleveland.

#### Home Highlights on Careers

Mr. McKay has been with the company more than 20 years and has an unusually thorough knowledge of the casualty business, having served on the counter before being transferred to the field staff. He had served the company in a managerial capacity in Syracuse, St. Paul, Montreal and Rochester, before being transferred to the home office agency staff, where he served about 10 years. He will represent the company on the New York City casualty committee and also upon various matters connected with the Acquisition Cost Conference.

Mr. McClaskey has served the company in Indianapolis, as manager at Louisville, as assistant manager at Philadelphia and as manager of indemnity lines at 55 John street for 10 years.

Mr. Parker has been with the Travelers 20 years and has had long experience in San Francisco. He has served the company in Minneapolis, Los Angeles, San Francisco and Oakland. He has been manager at Denver, and at Dayton, Ohio. Recently he has been manager at Cleveland, Ohio.

Mr. Clark joined the company in 1919 shortly after his resignation as captain of infantry, U. S. Army. He has served the company in Peoria, Ill., at St. Louis, in Cincinnati, and for four years was agency assistant in the home office. For the past six years he has been manager of casualty lines at Milwaukee.

Mr. Paul was for some time manager at Minneapolis. In that territory he had extensive experience not only in the Minneapolis and St. Paul area but in Duluth and Winnipeg.

#### Chicago A. & H. Golf Tourney

The annual golf tournament and dinner of the Chicago Accident & Health Association was held Tuesday at the Itasca Country Club with about 50 in attendance, including a number of company executives and organization representatives. Fifteen golf prizes were awarded. Leslie Rappaport, Pacific Mutual Life, had low gross and Charles H. Davis of the same company high gross.

## Attend Pennsylvania Agents Meeting



MATTHEW H. TAGGART  
Pennsylvania Commissioner



RALPH H. ALEXANDER  
Deputy Pennsylvania Commissioner

## STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, at close of business Sept. 30, 1940

	Par	Div.	Bid	Asked
Aetna Cas. ....	10	5.00*	119	123
Aetna Fire ....	10	1.80*	48 1/2	50 1/2
Aetna Life ....	10	1.40*	28 1/4	30
Agricultural ...	25	3.25*	71	75
Amer. Alliance ..	10	1.20*	20 1/2	22
Amer. Equitable ..	5	1.00	17 1/2	19
Amer. Home ....	10	...	5 1/2	7
Amer. (N. J.) ...	2.50	...	12 1/2	14
Amer. Surety ...	25	2.50	46	49
Automobile ....	10	1.40*	36	38
Balt. Amer. ....	2.50	40*	6 1/2	7 1/2
Bankers & Ship. ..	25	5.00	93	97
Boston ....	100	21.00	595	615
Camden Fire ...	5	1.00	19 1/2	21
Carolina ....	10	1.30	28	30
Contl. Cas. ....	5	1.20	34 1/2	36 1/2
Contl. N. Y. ...	2.50	2.00*	35	37
Fidelity-Phen. ...	2.50	2.00*	35	37
Fire Assn. ....	10	2.50*	63	65
Firemen's (N.J.) ..	5	40	9	10
Franklin Fire ...	5	1.40*	28	30
Gen. Reinsur. ...	5	2.00	38	40
Georgia Home ...	10	1.20*	23	26
Glens Falls ...	5	1.60	41	44
Globe & Repub. ..	5	1.50	9	10
Gt. Amer. Fire ...	5	1.20*	24 1/2	26
Gt. Amer. Ind. ...	1	20	9	11
Halifax ....	10	1.00**	12	13 1/2
Hanover Fire ...	10	1.20	24	26
Hartford Fire ...	10	2.50*	83	86
Hartford S. Boil. ..	10	1.60	52	55
Home Fire Sec. ...	10	...	1 1/4	2
Home (N. Y.) ...	5	1.60*	30 1/2	32
Home Indem. ...	5	...	10	...
Ins. Co. of N. A. ..	10	2.50*	63	65
Maryland Cas. ...	1	...	1 1/2	2
Mass. Bonding ...	12.50	3.50	60	63
Mer. (N.Y.) Com. ..	5	1.70*	45	48
Natl. Cas. ....	10	1.00	25	27
Natl. Fire ....	10	2.00	53 1/2	55 1/2
Natl. Liberty ...	2	40*	6 3/4	7 3/4
New Amst. Cas. ...	2	75	16 1/2	17 1/2
New Hampshire ...	10	1.80*	44	46
Northern (N.Y.) ..	12.50	5.00*	96	100
North River ...	2.50	1.00	23	25
N. W. Natl. ....	25	5.00	116	126
Ohio Cas. ....	5	1.15*	35	38
Phoenix, Conn. ...	10	3.00*	83	86
Preferred Accl. ...	5	.80	12 1/2	13 1/2
Prov. Wash. ....	10	1.40*	34	36
St. Paul F. & M. ...	62.50	8.00	225	235
Security, Conn. ...	10	1.40	33	35
Sprgfd. F. & M. ...	25	4.75*	113	117
Travelers ....	100	16.00	410	425
U. S. Fire ....	4	2.00	45	48
U. S. F. & G. ...	2	1.00	20	21

\*Includes extra. \*\*Canadian funds.

#### Questions on Compulsory Auto

The preparation of a series of 17 questions and answers on a bill which will be reintroduced at the next session of the legislature is due to the large number of inquiries received by the New York State Bureau of Motor Vehicles regarding proposed compulsory automobile liability insurance. Copies of the questionnaire may be obtained by addressing C. E. Mealey, commissioner Bureau of Motor Vehicles, Albany, N. Y.

The third public hearing on compulsory automobile liability insurance will be held in Rochester on Oct. 4.

#### Negligence Law Change Sought in Minnesota

ST. PAUL—An effort will be made in the 1941 session of the Minnesota legislature to put into force in this state the doctrine of "comparative negligence" in automobile damage suits. This would replace the present rule of contributory negligence and would provide that damages could be collected from the driver most to blame, even though the other driver was partially at fault.

Such steps were discussed at a meeting of district officers of the Minnesota Bar Association, which will also sponsor a bill providing for compulsory automobile insurance in Minnesota.

#### Presentation to W. E. Shields

LOS ANGELES—The Interdepartmental Club of the Los Angeles Branch office of the Travelers, composed of more than 100 male employees, presented W. E. Shields, former manager and dean of the company's executives and employees on the Pacific Coast, a solid silver platter on his retirement after 26 years service.

The Travelers Southern California Agents Association presented Mr. Shields a sterling silver flat service, which was put into service at a dinner at Mr. Shields' home in honor of Myron Platt, his successor as Los Angeles manager.

#### Two Branches Hold Outing

NEW YORK—The Fortieth Club, composed of employees of the metropolitan branch office of Maryland Casualty, and the staff of the Newark office, held their annual outing at The Well, West Caldwell, N. J., with about 155 attending. The feature was a softball match between the "Ten Old Men" of the New York branch and the "Bloomer Boys" of Newark. The latter won. Arrangements were under the general direction of Charles Reig, with A. R. Johnson as his chief aid.

#### North Dakota Men Entertained

FARGO—C. T. Tollefson, Fargo, N. D., state manager of the Mutual Benefit Health & Accident and United Benefit Life, and Mrs. Tollefson were dinner hosts to a delegation of North Dakota representatives of these companies, before the group left for Omaha for the dedication of the new home office building. Frank W. Thomas of Fargo and A. C. Decker of Drake, N. D., were guests with all expenses paid by the Tollefson Agency as awards in a sales drive which began Jan. 1.

## State Farm Group Holds Open House

The State Farm companies, Bloomington, Ill., are holding an open house in their new eight-story addition to the home office building Oct. 3-4. This represents the 11th increase in space in 18 years, made necessary by steady growth. The new addition, almost doubling the floor space, was completed, together with remodeling of the main structure, at a cost of \$500,000, and provides 74,250 square feet of floor space, with 80,252 in the older building.

The open house was preceded by a banquet at which G. J. Mecherle, founder and chairman, was honored. Mr. Mecherle organized State Farm Mutual Automobile in 1922. R. P. Mecherle and G. E. Mecherle, sons of the founder, are president and secretary.

With completion of the addition, State Farm has all service departments readily accessible to the public on the first floor, including the State Farm Travel Bureau for motorists and general travel, the McLean County Agency and the Illinois claims department.

The main part of the building is 12 stories high with an auditorium on the roof. Among outstanding features, in addition to the planned working space, are club rooms on the fourth floor, one for women employees and the other for men, a modern medical division with four examining rooms, three rest rooms, laboratory, milk station, and offices for physician and nurse, where employees are given periodic medical examinations. There is also a training school for employees.

#### Hook Will Be Honored at Executives Dinner



THOMAS HOOK

Especial tribute will be paid to Thomas Hook, superintendent of the personal accident and health department of the Standard Accident and chairman of the governing committee of the Bureau of Personal Accident & Health Underwriters, at the first accident and health executives dinner to be held at the LaSalle Hotel, Chicago, Nov. 13, sponsored by the Chicago Accident & Health Association.

Mr. Hook is one of the best known and most greatly loved men in the accident and health insurance field. Born in Edinburgh, Scotland, he still retains a burrish accent and his genial personality has made him a host of friends who will pay him a well deserved tribute at the dinner.

An attendance of more than 200 executives and managers is expected.

A California license has been issued to Factory Mutual Liability, and Automobile Mutual, both of Providence, with E. S. Ives of Los Angeles as general agent.



## Hold Life Carriers Can Write Auto P. L.

### Minnesota Opinion Rendered to Yetka in Connection with Travelers

ST. PAUL—Life companies are entitled to write automobile public liability insurance in Minnesota because of long established custom, acquiesced in by the insurance department, Commissioner Yetka was informed by E. J. Devitt, assistant attorney general, in response to an inquiry. The commissioner had questioned the legality of the Travelers writing this coverage, which it has done since 1921.

Mr. Devitt said Travelers has been specifically authorized since 1890 to write life and accident insurance, and the certificates of authority also specifically authorized it to write casualty insurance from 1906 to 1912. From 1913 to 1919, the certificates authorized the company to transact its "appropriate business." No copies of the certificates of authority issued in 1923 and 1924 were available, but each year from 1925 to 1939 the company specifically was authorized by the commissioner to write life, accident, health, automobile liability, liability other than auto, and workmen's compensation.

#### Sanctioned by All Parties

Mr. Devitt quoted various changes in the Minnesota law affecting life companies and their scope. "This company," he said, "started to write liability insurance with the express sanction and approval of the commissioner of insurance in 1921. The annual statements, filed with the commissioner, show that such business was being written. Certificates of authority were issued annually from 1925, and perhaps from 1921, specifically authorizing the writing of liability insurance."

He said there has been a long-time executive and practical construction of the statute (section 3315, subsection [a]5) extending for at least 19 years. The legislature, he said, acquiesced in the interpretation placed on the statute, for it did not change the law.

"Courts attach great weight to the practical construction placed upon a law by executive or administrative officers, especially when such construction is acquiesced in by the legislature," Mr. Devitt commented. "The practical interpretation of an uncertain statute by the executive department charged with its administration is entitled to the highest respect and if acted upon for a number of years will not be disturbed except for very cogent reasons."

"I feel that we should give to the statute the same interpretation it has received from the insurance department officials for the past 19 years. If a change in the law is desirable it should be made by act of the legislature. On the basis of the facts here presented, I am of the opinion that this company, assuming that it has a paid up capital of at least \$200,000, is entitled to be authorized to transact the business of public liability automobile insurance in this state."

Another opinion of importance is being prepared by the attorney-general's office and is expected to be handed down soon. It concerns four companies writing participating compensation policies, Anchor Casualty, American Motorists, Associated Indemnity and Bituminous Casualty.

#### Indiana Ruling on School Buses

Attorney-General Jackson of Indiana has ruled that school buses, operated by owners under contract exclusively for school purposes, cannot be insured under fleet policies. Fleet policies apply only when five or more vehicles are owned by the assured, he holds.

## Broadening of Liability Covers Is Discussed by Sawyer

KANSAS CITY—More changes have occurred in the field of liability coverage in the last 18 months than ever before in a similar period, E. W. Sawyer, attorney National Bureau of Casualty & Surety Underwriters, told the Insured Buyers Conference of the Associated Industries here. A number of insurance men attended. Mr. Sawyer was introduced by William A. Sullivan, insurance director Loose-Wiles Biscuit Company.

Two reasons were assigned by Mr. Sawyer for the recent liability changes—many were long overdue, and there was pressure from the trend toward comprehensive coverage.

#### Principal's Protective Contract

Least known of the new developments in liability coverage, he said, is the principal's protective policy, "which meets a situation that should have been taken care of long ago," Mr. Sawyer commented. It covers the borderline employee whose status does not definitely fall within workmen's compensation or employer's liability; the "independent contractor," newsboys, bakery salesmen, insurance agents, magazine subscription agents, and all kinds of commission salesmen. On this type of risk in the past the employer has not wanted to pay a premium for coverage, while the carrier has not wanted to accept the line without provision for such risks.

This has left two alternatives, to exclude these persons from the premium and have the employer furnish an indemnity agreement, which leaves the employer holding the bag, or for the employer to pay a full compensation premium to cover them, which obviously is unfair. Without getting into either the compensation or employer's liability fields, the principal's protective policy covers these cases.

The buyers were much interested in this new coverage. Mr. Sullivan pointed out that many large organizations that sponsor athletic and other non-work activities among employees long have been puzzled as to whether accidents occurring during such activities are covered. Mr. Sawyer assured him that they are under the new coverage.

#### Urges Avoidance of Suspicion

"We leave the compensation carrier primarily liable; hence we can get the principal's protective policy approved. The compensation carrier pays, the employer pays the carrier, and then the principal's protective policy steps in. We are, however, urging everyone not to use the new policy where it would lead to even a suspicion that the employer is trying to get out from under a compensation risk."

In speaking of the steps in the development of a comprehensive automobile policy, Mr. Sawyer explained that, in his opinion, "comprehensive is only a way-station on the road to the ultimate objective of an all risk policy." But there have been other way stations: the passenger car policy, development of a wide commercial car cover, and now under way, comprehensive automobile, to cover all liability in one insuring clause with comprehensive endorsement to attach. When this is achieved it will leave only one question, whether automobile can be joined with general liability, he said.

#### Discuss Schedule Liability

Buyers also are keenly interested in the schedule liability coverage. Mr. Sawyer explained that two things have brought the protection about: (1) pressure of the comprehensive idea has required companies to get into closer agreement on various policies, and (2) the trend has required them to standardize as much as possible individual liability policies. One of the greatest improvements brought about by the

schedule policy is the clarification in automatic coverage.

In the development of the schedule liability policy one of the problems was the type of coverage represented by products liability. In this field the companies have had adverse selection because the protection was bought rather than sold. The same thing has held with property damage. Experience, consequently, has been far above what it should normally be.

"Till we can develop a fair rate for products liability under all circumstances we have to leave such coverage optional," Mr. Sawyer said. "We can't include all contractual liability under the schedule policy because to do so would be abolition in advance for sins the contractor may commit."

#### Outlines Three Principles

However, the three principles agreed upon in New York for the comprehensive liability policy, and effective for other closed states, might very well form the basis for nationwide standardization. These principles are: (a) basic coverage shall be bodily injuries from accident; (b) policy shall not be issued unless the premium is large enough to cover investigation of hazards and to provide for survey at end of policy period to determine if the risk is properly rated, and (c) declarations in policy shall show in detail the hazards and premium allocation, which simply means that the department shall have the same information as now under individual policies.

"I want to disabuse your minds, if it is there, that we in the bureau arbitrarily set up policies and rules," Mr. Sawyer said. "They are made up from advice and experience that comes from many sources. We try to find what the public needs and what the public is willing to pay for it."

"Buyers should take a much greater interest in shaping liability policies. Let us know what you think we ought to put in liability policies. The democracy of insurance works very slowly, so don't wait; send along your suggestions when they occur to you. Working out these things democratically is a privilege which we should exercise, especially in these days."

The question period was taken up almost entirely with comprehensive general liability. There was discussion of the surveys in connection with comprehensive coverage. Mr. Sawyer said this will be a printed questionnaire. If agents will do the survey, he said, the minimum premium can be kept lower. Mr. Sawyer commented that when he started working on comprehensive some years ago he frequently heard about the "unknown hazard." There is no such thing, he said. "It really is an existing hazard, recognized, but one not previously rated." Mr. Sawyer explained that the comprehensive liability was confined to "bodily injuries," because the field of "personal injuries" is broader and includes such hazards as slander, libel, etc.

#### HOLD CONFERENCE IN LINCOLN

LINCOLN, NEB.—E. W. Sawyer, attorney for the National Bureau of Casualty & Surety Underwriters, conferred here with John S. Logan, attorney for the Nebraska department, and Presiding Judge Coffey of the state compensation court, with respect to policy forms issued under the complete coverage plan offered by some companies. Judge Coffey has taken the position that compensation coverage should be made a part of the policy and not attached as a rider. Mr. Logan was supported in his position by Mr. Sawyer with reference to severance of liability. The situation in Nebraska is complicated by the fact that an employer may refuse to elect to come under the law, although

## Program Given for Drafted Assured

### Accident Bureau Committee Offers Suggestions Liberalizing Attitude

NEW YORK—While entire freedom of action is left to the individual company members of the Bureau of Personal Accident & Health Underwriters as to the position taken toward old policyholders and new applicants for coverage, in the light of the government's plan of selective service, it is the general opinion of the members that a liberal attitude be assumed in this connection.

Numerous inquiries having been received from agents and policyholders as to the degree in which the status of assured entering naval or military service would be affected, sessions were held by the governing and underwriting committees of the bureau to study the question. As a result the underwriting committee has suggested that coverage be extended to policyholders while in military or naval service of this country, except those serving in the aviation or submarine branches, without applying any provision for reduction of benefits on account of change of occupation.

It was suggested, also, that extended coverage be confined to the limits of the United States, that it would not include any loss which might be due to enemy invasion or bombardment; that the extension apply only to single indemnity benefits provided under accident policies until Jan. 1, 1942, and that the exclusion relative to military or naval service be waived. The entire program of liberalization in policy language, it was recommended, should terminate on Jan. 1, 1942, though at that time further extensions may be granted, depending upon existing conditions.

The Travelers has sent out notices to its agents and policyholders embodying practically the same points covered in the bureau's recommendations.

The Washington National states that so long as the United States does not become actually engaged in war, the military or naval service restriction clause will be treated as inoperative while the policyholder is in compulsory military or naval training for the United States under the draft act or because of membership in the national guard or reserve officers training corps and that the amounts of indemnities stated in policies will not be affected by reason of such service.

The Time of Milwaukee has adopted practically the same program as that already announced by the Continental Casualty, continuing all policies in force, with no prorata by reason of change of occupation, and providing for reinstatement within 40 days after discharge from service for those who discontinue their insurance. Termination of hospital policies is recommended.

The company states that these rules apply only under the selective service law in time of peace and are not construed to mean that the policy will cover in the event of a declaration of war, or actual commencement of hostilities.

#### Detroit Club Resumes Meetings

DETROIT—The Detroit Accident & Health Association held its first fall meeting with H. H. Jones, president, presiding. The Borden & Busse film, "An Autopsy on a Lost Sale," was shown. President Jones promised 10 good sales-educational meetings during the year. R. M. Rowland, National Casualty membership chairman, announced plans for a drive.

desiring liability coverage, and that an employee may also elect to sue at common law, thus rendering unavailable any compensation coverage the employer may have purchased.

## NEW MEMBERS ON NATIONAL AGENCY EXECUTIVE COMMITTEE



T. G. REDDEN, Greensboro, N. C.



TERRELL WOOSLEY, Lake Charles, La.



CHRIS ZOERCHER, Tell City, Ind.



G. W. HAERLE, Portland, Ore.

## Agency Association Issues Discussed in Committee

(CONTINUED FROM PAGE 5)

contract between the Home Owners Loan Corporation and the Stock Company Association. It was recognized that the principal grievance here was a lack of understanding of the true intent and purpose of the contract. It was believed that a full explanation of just how this business was being handled, the machinery set up to take care of this unusual situation and all the facts and circumstances surrounding the movement would impress these commissioners with the fairness and legality of the enterprise. Therefore, the National Association will continue to work through its special committee with the HOLC and the S.C.A. in attempting to bring about a greater understanding of the movement.

## Federal Bureaus

There were before the committee other insurance movements by certain federal bureaus wherein reports were received by the committee of negotiations which indicated that there was a constantly growing and better understanding by these government instrumentalities of the place the agents of the country occupy in the business of insurance. So far as was revealed there is no claim made by any bureau of the non-necessity of agency service where insurance is required. There is a disposition on the part of some to argue that the government can get along without any insurance at all. Upon this question the executive committee will use its utmost influence to counteract any such conclusion.

## Industrial Fire Insurance

There was before the committee the operation of a concern in the south known as the Industrial Fire. It had to do with a set-up whereby fire insurance premiums might be paid on the same basis as industrial life premiums are paid—by small weekly or monthly payments. The committee could do no more than receive the discussion and postpone any action favorable or unfavorable until the matter could be further investigated by the incoming administration.

Scarcely ever is there held a meeting of the executive committee when there is not before it a question as to boards or bureaus, particularly rate-making ones, publishing changes in rates without giving the agents any advance knowledge of such a movement. The committee recognized it to be an embarrassing situation for agents first to receive this kind of information from the

assured themselves or from the public press. The committee expressed no loss of confidence in the conference system, but deplored its apparent inapplicability to this change in rate and form situation.

On the question of insurance on financed automobiles, there was not sufficient information before the committee of any new proposed plan warranting any further discussion other than the expressed hope that the National Automobile Underwriters Association would continue its effort to find a solution that would be fair and just to all parties concerned.

## Uniform Agents Licensing Law

The committee discussed the pending problem of attempting to bring forth a uniform agents licensing law. Explanations were made of the respective views of the casualty and surety companies, the general agents and the brokers on a counter-signature section of such a law. It was recognized that the work which had been going on along this line for the past year was not yet completed and it was hoped that a continuation of conferences might result in bringing this controversial question to a successful termination by the time of the meeting of the insurance commissioners convention in New York in December.

## Conventions

- Oct. 7-11—National Safety Congress, Stevens Hotel, Chicago.
- Oct. 7-8—Missouri Agents, Connor Hotel, Joplin.
- Oct. 7-8—Massachusetts Agents, Bancroft Hotel, Worcester.
- Oct. 7-10—Casualty Officials and Agents Convention, Greenbrier Hotel, White Sulphur Springs, W. Va.
- Oct. 9-10—Kansas Agents, Bisonte Hotel, Hutchinson.
- Oct. 10-12—Insurance Accountants Association, Endicott, N. Y.
- Oct. 16—Maine Agents, Elmwood Hotel, Waterville.
- Oct. 17-18—Ontario Agents, Royal York Hotel, Toronto, Can.
- Oct. 17-18—Wisconsin Agents, Hotel Retlaw, Fond du Lac.
- Oct. 18-19—New Mexico Agents, La Fonda Hotel, Santa Fe.
- Oct. 23—Rhode Island agents, Turks Head Club, Providence.
- Oct. 24—Maryland Agents, Belvedere hotel, Baltimore.
- Oct. 24-25—Illinois Agents, Faust Hotel, Rockford.
- Oct. 28-30—California Agents, Biltmore Hotel, Los Angeles.
- Oct. 29-30—Indiana agents, Indianapolis Athletic Club.
- Oct. 30—New Hampshire agents, Carpenter Hotel, Manchester.
- Nov. 1-2—Arizona Agents, Westward Ho hotel, Phoenix.
- Nov. 8-9—Oklahoma Agents, Hotel Tulsa, Tulsa.

## It's A Good Sign!



There's smooth sailing ahead for local agents seeking an outlet for Workmen's Compensation risks!

Just drop us a line and we'll steer you right for we really WANT your compensation, public liability, property damage, elevator, O. L. & T. business.

It pays to know the Bituminous!





ORGANIZED 1875



ACCIDENT AND CASUALTY INSURANCE COMPANY  
OF WINTERTHUR, SWITZERLAND  
111 JOHN STREET  
NEW YORK

*United States Branch*

CONDENSED

## STATEMENT

DECEMBER 31, 1939

## ADMITTED ASSETS

U. S. Government Bonds . . . . .	\$1,923,063.00
Other Bonds . . . . .	1,476,261.00
Stocks . . . . .	144,487.00
Other Assets . . . . .	650,146.24
<b>Total . . . . .</b>	<b>\$4,193,957.24</b>

## Reserves:

## LIABILITIES

Voluntary Contingency . . . . .	\$ 309,763.57
Other Liabilities . . . . .	1,384,193.67
Statutory Deposit with New York . . . . .	\$ 850,000.00
Net Surplus over Deposit . . . . .	1,650,000.00
Policy Holders' Surplus . . . . .	2,500,000.00
<b>Total . . . . .</b>	<b>\$4,193,957.24</b>

Bonds and Stocks owned are valued in accordance with requirements of New York State Insurance Department and National Association of Insurance Commissioners. Securities carried in above Statement at \$1,366,094.76 are deposited as required by law.

On the basis of December 31st, 1939 market quotations for all bonds and stocks owned this Company's total admitted assets would be increased to \$4,264,793.24 and Voluntary Contingency Reserve to \$380,599.57.

All Assets in this Statement are held, in their entirety, for protection of United States Branch of the Company and its Policyholders and Creditors.

## INVESTED ASSETS

54.27% U. S. Government Bonds  
41.65% Other Bonds; 4.08% Stocks

NEAL BASSETT, U. S. Manager  
OGDEN DAVIDSON, U. S. Assistant Manager  
CHARLES A. BARKIE, U. S. Assistant Manager  
OWEN F. A. HIGGOTT, U. S. Branch Treasurer



## CHANGES

### L. & L. Indemnity Moves Chicago Branch Office

The Chicago office of London & Lancashire Indemnity is being moved from the Insurance Exchange building to the eleventh floor at 223 West Jackson boulevard. On the floor below is located the western department of the fire companies of the L. & L. group. J. M. Fraser is manager of the indemnity company.

### Burgess Is Making Change

B. B. Burgess has resigned as supervisor of underwriting in the Detroit branch of the Zurich effective Oct. 15, to return to his native state, Texas, where he will be affiliated with another company. He joined the Zurich in 1929 and served in the home office underwriting department for several years, going to the Detroit office 3½ years ago. He also has resigned as vice-president of the Michigan Casualty Underwriters Association.

### Open Scranton Office

RICHMOND, VA.—As exclusive underwriting managers of the American Fidelity & Casualty of this city, Markel Service announces the opening of a branch office at Scranton, Pa., with L. C. Browne in charge. Mr. Browne heretofore was with the Baltimore branch office.

### Russell Minneapolis Manager

Charles Russell has become manager of the casualty department of the Travelers in Minneapolis, succeeding Norman Paul, transferred to the 42nd street office in New York City as manager. Mr. Russell has been assistant manager at Minneapolis the past few years.

### U. S. F. & G. Albuquerque Office

The United States Fidelity & Guaranty has opened an office in the Cromwell building, Albuquerque, N. M., to give complete service for New Mexico. E. M. Ketchum is in charge of production, R. A. Wilkins of safety instruction, engineering and payroll, and R. M. Hulsman, claims.

### Roberts to St. Paul Mercury

ST. PAUL—N. H. Roberts, for 10 years state agent in Minneapolis for Minneapolis Lloyds, has joined the automobile department of the St. Paul-Mercury Indemnity. Some years ago he was associated with the St. Paul group.

## COMPENSATION

### To File Multi-Split Plan in Many States

NEW YORK—Having received favorable responses from all but six states to which the proposed multiple-split experience rating plan was submitted for preliminary consideration in January, the rates committee of the National Council on Compensation Insurance at a meeting decided to file the plan for approval in such states in connection with the next annual rate revision, effective on or after Dec. 31. It is proposed the plan will apply to all new business, and to policies in force upon their renewal date. The six states that have not yet sanctioned the proposed method still have it under consideration. The states in which the plan is acceptable represent approximately 70 percent of the workmen's compensation insurance premium volume.

Features of the multiple-split experi-

ence rating plan are its greater responsiveness to recent experience, its simplicity in the treatment of losses, and its stress on the frequency rather than severity of accidents.

### Michigan Republicans Favor Liberalization of Law

GRAND RAPIDS, MICH.—Liberalization of the workmen's compensation law, including its occupational disease sections, and a separation of the present department of labor and industry into two distinct departments to administer the labor laws and the compensation statutes were advocated in the Republican party platform adopted at the state convention here.

"The present compensation act needs to be amended and revised," the platform states, and the party is pledged to any necessary revision to the end that "more adequate" compensation be provided for injury or death suffered in employment and "more adequate medical care and hospitalization." Best efforts of the party are also promised to gain revision of occupational disease law that workers "may have adequate compensation for occupational diseases incurred in industrial employment."

### Prepare Answer to Refund Demand

ST. PAUL—J. F. Reynolds, manager Minnesota compensation rating bureau, is preparing an answer to the latest petition of W. H. O'Toole, involving a refund of \$1,700,000 by compensation carriers to employers for the years 1935-1937. O'Toole contends the rates for these years were improperly set. Mr. Reynolds has asked that a hearing be held on the O'Toole petition and this probably will be done as soon as his answer has been studied.

### Plan Accident Prevention Course

BOSTON—The Massachusetts Safety Council announces a new course in industrial accident prevention to be given at the Massachusetts Institute of Technology beginning Oct. 15. R. A. Hogsett, Boston casualty manager Travelers; E. P. Knight, Employers Liability; T. L. Locke, American Mutual, and F. E. Morris, Liberty Mutual, are on the committee in charge.

## ACCIDENT

### Omaha Companies Dedicate New Home Office Building

OMAHA—Approximately 15,000 persons inspected the new home office building of the United Benefit Life and Mutual Benefit Health & Accident at the open house celebration. Officials headed by President C. C. Criss, were on hand in flower bedecked offices to greet visitors. The lobby was filled with bouquets sent by civic leaders, business and industrial executives and friends.

A banquet was held with over 1,000 agents, managers, and wives in attendance. Col. C. E. Forbes, secretary Mutual Benefit, was chairman. A dedication speech was made by Miles Scheaffer, secretary United Benefit Life. Vice-president S. C. Carroll spoke on "New Era in Policies." Following a talk by Dr. Criss, founder of the companies, Miss Rosemary Keenan was named queen as the result of a life insurance contest conducted in June. A. W. Heuertz, Memphis, president of the managers' association, presented Dr. Criss with a leather memory book with the names of 987 who attended the convention.

### Consider Standard Provisions

NEW YORK.—A committee of the National Association of Insurance Commissioners which was named some months ago to consider recommending the adoption of certain standard provisions for inclusion in all group hospi-

## EXTRA

Merits this month to Indemnity Agents  
for the sale of

## BURGLARY LINES

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Sales Campaign

Many of our Agents are planning to do their Christmas shopping with the Merits they earn in our "20-40-60" Campaign. Here's an opportunity for every Indemnity Agent to earn extra Merits for valuable Gift Awards by featuring the various Burglary lines in their solicitations . . . and at the same time, increase their premium income and widen their list of clients and prospects for the future sale of other forms.

### EXTRA MERITS THIS MONTH FOR

Residence Burglary, Theft and Larceny and Theft Outside Premises  
World-Wide Theft  
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Building and Loan Burglary and Robbery  
Mercantile Open Stock Burglary  
Mercantile Safe Burglary  
Office and Store Robbery  
Paymaster and Messenger Robbery  
Safe Depository Liability  
Safe Deposit Box Burglary and Robbery (Individuals)  
Securities Insurance  
Accounts Receivable  
Valuable Papers  
Destruction  
Storekeepers' Burglary and Robbery  
Innkeepers' Liability  
Church Burglary, Theft, Larceny and Robbery

# CASUALTY FIDELITY SURETY



CAPITAL \$2,500,000

## Indemnity Insurance Company of North America

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We are anxious to assist the Agent or Broker in securing coverage for unusual propositions.



talization policies still has the matter under review. It is not proposed that provisions similar to those appearing in the accident and health contracts be used, although these would likely form the basis for such clauses as would be favored. The California department particularly has been interested in the subject, a committee named by it having conferred with representative casualty underwriters. While the conclusions reached have not yet been made public, it is understood they will shortly be promulgated by the department. Though hospitalization coverage has attained considerable popularity, the business is yet in the experimental stage, and there is little uniformity as to the insuring provisions.

#### Inter-Ocean's Loyalty Month

CINCINNATI—"Preparedness and Mobilization" is the theme of the tenth annual loyalty month campaign which is being observed during October by the Inter-Ocean Casualty.

Twelve of the 170 loyalty button holders are eligible for the diamond emblem, a handsome pin set with nine pearls bordering the bottom rim and a diamond at the top in the center. The pearls are emblematic of nine successive years of loyalty achievement and the diamond is symbolic of the tenth year of qualification. Loyalty Month was inaugurated by the Inter-Ocean in 1931 and is always observed in the fall of the year, usually in October.

#### A. & H. Week Committee to Meet

A meeting of the general committee for 1941 Accident & Health Insurance Week will be held at the La Salle Hotel, Chicago, Nov. 13, to outline a program of activity for the observance of Accident & Health Week, March 24-29. The committee membership includes personnel representing all types of accident and health carriers as well as the various kinds of accident and health business written.

Representatives of all accident and health companies will be invited to attend this meeting in order that every suggestion to promote the week's activity may be given consideration.

At the instance of the Nebraska department, an order has been issued by the district court in Lincoln to officers of the Fidelity Old Line to show cause why the state should not take it over for liquidation. It was originally an assessment health and accident company, but about six years ago amended its articles of incorporation to become a stock burial association.

## COMPANIES

#### Dismiss Merger Annulment Suit

CEDAR RAPIDS, IA.—A suit filed by H. L. Nehls, former head of the Iowa Mutual Liability, seeking to dissolve the merger of that company with the Preferred Class Mutual, was dismissed in district court after the Iowa supreme court ruled for the defendant. The two companies were merged in 1937 and Mr. Nehls brought suit May, 1938, attempting to annul the merger. A total of \$350,000 worth of property was involved in the merger in which the Iowa Mutual assumed all liabilities and assets. After his resignation from the Iowa Mutual Mr. Nehls helped form the Mid-America of Cedar Rapids which is now controlled by Kansas City interests.

#### Report on Egyptian Mutual

The Illinois department has made an examination of the Egyptian Mutual Automobile of Salem, Ill., as of April 30. Its assets are \$29,113, premium reserve \$7,843, surplus \$19,301. The company is closely allied with the Illinois Bond & Investment Co. All business written by the company is produced by

the Illinois Bond & Investment. It writes full coverage automobile insurance at conference rates. A commission of 30 percent is allowed on all coverages to agents. The company at the present time has no agents, the business being obtained from a finance company, the Illinois Bond & Investment, to which no commissions are paid. The income for the first four months was \$3,153, total income \$3,542, losses paid \$2,649, total disbursements \$4,218.

## ASSOCIATIONS

#### To Discuss Non-Ownership Cover

The Casualty Underwriters Association of Chicago will hold a luncheon meeting Oct. 9 at the Union League Club. Joseph Hinshaw, Chicago attorney, will discuss automobile non-ownership coverage from the underwriting and legal standpoint.

#### New Coast Association Elects

SAN FRANCISCO—Officers of the new California Casualty Fieldmen's Association, formed after six months' study and preparation, are: B. F. Gates, president; Jefferson Hedemark, vice-

president; Alf Brandon, treasurer, and George Leineke, secretary. At the opening luncheon, following election, congratulations were expressed by Everett Northup, Special Agents Association of Central-Northern California, representing fire companies; Elmer White, national councillor California Association of Insurance Agents, and H. W. Semmelmeier, public relations director Pacific Board.

#### Widen Kansas City Membership

KANSAS CITY—The Casualty & Surety Underwriters Association of Kansas City has adopted a new constitution and by-laws which widened membership to include agents and home office officials as well as branch managers and general agents. Membership now is confined to Kansas City, Mo., whereas, formerly, it included Kansas City, Kan. Dues were lowered from \$30 to \$20.

## SURETY

#### Cut Rate Competition Viewed

PORTLAND, ORE.—The Surety Association of Portland resumed its

monthly meetings with a discussion of a cut-rate competition on contract bonds. The association has undertaken to furnish information and statistics to the Towner Rating Bureau to induce relief from that source. Inroads of the cut-raters, of which there are only a few actively operating in the northwest, have become so severe as to demand prompt and desperate measures to curb or meet them. The association has pledged itself to this end.

#### Start New Jersey Season

NEWARK—At the first fall luncheon meeting here of the Surety Underwriters Association of New Jersey, plans for the coming season were outlined and topics of general interest were discussed.

#### Wallquist Joins Boston Agency

BOSTON—Boit, Dalton & Church has appointed A. S. G. Wallquist as specialist on contract bonds and other surety lines. He was in the home office bond department of the Employers Liability for some 13 years and the past year has been Providence, R. I. manager of the Employers.

The Michigan Casualty has moved to larger quarters at 2301 Barlum Tower, 65 Cadillac Square, Detroit.

# WANTED

## Outstanding Agency Manager

One of America's leading Insurance Companies, specializing in Automobile Insurance, desires a thoroughly qualified Manager for its Branch Office in Cincinnati. An unusual opportunity because of the Company's excellent record, and because of its present substantial volume in the Cincinnati territory.

● To arrange an interview, write immediately to L. H. M., c/o The National Underwriter Company, 424 E. Fourth St., Cincinnati, Ohio, stating in full your qualifications, experience, etc. Information contained in your letter will be held in strictest confidence.

## Watters Addresses Western Bureau

(CONTINUED FROM PAGE 3)

mittee, gave his report and E. E. Soenke, Security of Davenport, chairman of the uniform forms committee, gave a report.

Mr. Watters said the insurance law section of the American Bar Association was inaugurated in 1933. It works through a large number of committees. The fire insurance committee has prepared a clause by clause annotation of the New York standard policy which the bar association published in a 137-page book a year ago. An annotation of the standard automobile liability policy was prepared in 1933. A large number of company claim departments make constant use of these books.

At the recent convention, he said, the present war situation furnished the key for discussion on war risk insurance and the impact of the war on marine insurance law.

### Social Security Act

Mr. Watters spoke of the social security act and said that numerous problems were immediately in sight under the law and state employment compensation acts by reason of pending induction into military service on part of a large number of young men who are now in covered employment. Mr. Watters said that the regular annual session of the interstate conference of the Unemployment Security Agencies began at the meeting in Washington, D. C., this week. A subcommittee having in charge recommendations concerning the effects of military service, urges in a preliminary report that amendments to state social security laws and to the federal social security and unemployment tax acts should be so made as to insure that no person is disqualified if otherwise eligible after his return to civil life by virtue of lapse of time during military service. It further recommends that wages or other payments made by employers to individuals in military

service be exempted from unemployment compensation contributions, regardless of whether such service follows conscription or is in the state militia or a citizens military training camp.

### Two States Take Action

Already, he said, in New Jersey unemployment compensation commission has ruled that payments by an employer because of patriotic or humanitarian motives of the difference between civilian pay and service pay are to be regarded as gratuitous and do not carry any contribution liability.

The Massachusetts commission has ruled that similar payments for employees while in service with the national guard are subject to the payment of contributions.

He said that more than \$480,000,000 of benefits were paid to unemployed individuals pursuant to provisions of state unemployment compensation laws during the fiscal year ending June 30. Government collections under the federal insurance contributions act in 1939-40 amounted to nearly \$605,000,000, a 14 percent increase over the preceding fiscal year, and federal unemployment tax collections increased 6.6 percent to \$107,500,000. Federal authorities attribute the increase, Mr. Watters said, to two causes, first, a reflection of improved employment conditions, and next, the payment of retroactive contributions required by the amended law from covered employees age 65 or over on Jan. 1, 1939. Total assets of the old age and survivors insurance fund as of June 30, were \$1,744,700,000. The unemployment trust fund at the same date had assets of \$1,724,900,000.

In speaking on possible federal control of insurance, Mr. Watters said it is possible that some report of the Temporary National Economic Committee may furnish further food for thought and the possible necessity for action concerning this problem.

At the meeting of the insurance section of the American Bar Association, Senator O'Mahoney of Wyoming, chairman T.N.E.C., stated that there was nothing hostile to the insurance industry, nor to those engaged in it, in the attitude of his committee.

### Fair Labor Standard Acts

The fair labor standards act of 1938 contains the "finding and declaration of policy." It fixes minimum wages and maximum hours for every employee "who is engaged in commerce or in the production of goods for commerce." The

act exempts "any employee employed in a bona fide executive, administrative, professional or local retailing capacity, or in the capacity of outside salesman" (as such terms are defined and delimited by regulations of the administrator). Whether fire companies are to be subject to this act remains to be ascertained, added Mr. Watters.

The speaker referred to the selective training and service act. He said it is not so well known, however, that this bill carries some very potent provisions about the compulsory reemployment of individuals so inducted into the military service. If the employee was in the

employment of a private employer, such employer must restore such person to his former position or to one of like seniority, status, and pay unless the employer's circumstances are so changed as to make it impossible or unreasonable to do so.

### OFFICIALS ON HAND

There is a large attendance at the meeting. A number of eastern and western company officials and their wives are present including Vice-president W. B. Rearden, Archibald Kemp, Herman Am-

## Dependable Insurance Service

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## Aggressive Selling Assistance

A multiple-line stock casualty company which offers financial strength—prompt claim service—up-to-the-minute sales and advertising aids—standard policies. It will pay you to investigate The Buckeye Union, an aggressive company for aggressive agents. Writing Automobile, Plate Glass, Burglary and Public Liability.

A Stock  
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The  
**Buckeye Union**  
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HOME OFFICE  
Columbus, Ohio

Territory in  
Ohio and  
Indiana

### How a Local Agent Uses Local Purchases of Field Men

D. E. Bowen of the Bryant-Bowen Agency of Kalamazoo, Mich., in one of the group meetings at the Buffalo convention of the National Association of Insurance Agents, explained a feature that he adopted which he finds carries considerable weight. He has a card printed and he gives the field men of companies in his office a supply so that when they buy anything in Kalamazoo, gasoline, paying a hotel bill, barber shop or what not, the card is handed out. It is something that any agent might adopt with profit. The card reads:

This Business Comes to You  
Through the Courtesy of

**DOY BOWEN**

of the  
Bryant-Bowen Insurance Agency  
201 Kalamazoo Nat'l Bank Bldg.  
Phone 2-7512

### Selling Accident Policies for School Children

Some of the companies issue policies to school children over 14 years of age, most of them providing payment of medical, surgical, nursing and hospital expense up to \$500 in case of accident. For additional premium the amount can be increased to \$1,000 or \$2,000. Specified sums up to a maximum of \$10,000 are paid for loss of limbs or sight and for certain other specified injuries. This makes parents of school children good prospects, especially where the father carries accident insurance. The premium for girl or women students is \$15 a year for the \$500 expense limit, and for boys and men \$18.

Increase sales with **Policy Sales & Survey Analyzer**. \$2. Order from National Underwriter.

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WASHINGTON

ATLANTA



bos and W. E. Wollaeger of the Firemen's group, with their wives. F. J. Breen, president Standard Fire of New Jersey, and Mrs. Breen are present. President C. J. Schrup of the Dubuque F. & M., and Mrs. Schrup are among the attendants. Manager J. S. Glidden of the Chicago Board, Manager C. J. Munn, Cook County Loss Adjustment Bureau, Manager T. A. Pettigrew and Assistant Manager George Blum, Underwriters Adjusting, Manager M. L. Brownlow of the Underwriters Salvage are on hand.

Tuesday was given largely to sight-seeing in and around Atlanta.

#### Hobbs Gave Report

Attorney Thomas Watters, Jr., and Mrs. Watters of New York came on in view of Mr. Watters' talk Wednesday. Manager R. D. Hobbs of the Western Actuarial Bureau gave the report of the subscribers actuarial committee Wednesday. The bureau meeting took place Wednesday afternoon with President H. A. Clark presiding. He gave a verbal report of the activities since the last meeting. No controversial questions are likely to come up.

There was a get-together dinner Wednesday evening for all the members, their wives and guests present, 75 being at the table.

Thursday morning will be the meeting of the Western Sprinkled Risk Association with President L. P. Tremaine, Meserole group, presiding as chairman and Manager G. N. Porter will present his report showing splendid progress under his management.

On Thursday afternoon the members will be entertained at Marietta, Ga., at a barbecue given by Mr. and Mrs. Fred Myers, a southeastern representative of the Millers National. A bridge tournament was arranged for the ladies.

#### Good Citizenship Owes Debt of Gratitude to Insurance

(CONTINUED FROM PAGE 20)

fair that the misguided ones who muddy the waters and throw stones merely inspire all of us to carry on.

"Great insurance companies did not become gigantic and prosperous overnight, nor by turning corners sharply. They have gradually grown prosperous and powerful for good in the land because of the sterling characters of the men who established them, and the continued hard work and integrity of the men and women on their payrolls today. They have been hampered by politics and hounded by unjust taxation, and that punishment has not ceased. There are mud slingers along the way, and will always be. The propagandist shoots at big targets which have been successful, forgetting that their success has been built upon service to the public.

#### Example of Enlightened Business

"No finer or more inspiring example of enlightened business exists today than the thousands of insurance companies, large and small, all over America. Their capital is never idle. It is earning an honest wage for policyholder and investor alike. It goes into new homes and churches and schools, into better equipped farms; it replaces the old with the new when disaster visits, and it furnishes educations and life's necessities to beneficiaries when loved ones pass on. Insurance capital at work has been one of the most vital forces in the settlement, moulding and building of America.

"State insurance commissioners give sensible regulation and not regimentation. The press generally is to be commended for its uniform fairness to insurance, and the business itself is fortunate in that its own journals have done such a splendid job. They are constantly watchful and on the alert to warn and suggest and protect the millions of our citizenship whose insurance policies are all too often the larger portion of their assets. Insurance is the greatest business in the world, and to those who made it that, and to those

who are intelligently working to keep it that today, good citizenship everywhere owes a lasting debt of gratitude."

#### Auto-Owners Holds Regionals

The Auto-Owners of Lansing, Mich., is holding a series of regional meetings which began on Sept. 30 and run until the latter part of October. The purpose is to acquaint the agency plant with the new casualty lines now being offered by the company. It is expected that some 650 agents will attend the meetings, held throughout Michigan, Ohio and Indiana. I. W. York, superintendent of agents, will be in charge.

#### MacDonell Takes New Post

SAN FRANCISCO—J. D. MacDonell is appointed assistant manager of the Employers Reinsurance with headquarters in San Francisco. He formerly represented Swett & Crawford at Seattle.

#### Extends Coast Activities

The Caledonian-American is arranging to extend its automobile and inland marine activities in California, through the Union Agencies, Inc., its representative in the territory. R. G. Clark, president of the company, is in San Francisco studying the program.

#### D. H. Lewis Honored

NEW YORK—In recognition of his 30th anniversary with the North British & Mercantile group, his associates tendered D. H. Lewis, head of the reinsurance department, a dinner Monday night, presenting him a camera tripod and accessories.

## PERSONALS

Col. W. E. A. Bulkeley, vice-president, auditor and a director of the Aetna Life, observed his 50th anniversary with the organization on Oct. 1.

Colonel Bulkeley, who is a grandson of E. A. Bulkeley, first president of the Aetna Life, and a son of W. H. Bulkeley, for many years vice-president, is also a director and auditor of the Aetna Casualty & Surety, Automobile and auditor of the Standard Fire.

He entered the employ of the Aetna Life on Oct. 1, 1890, in the bond and mortgage department. After serving for some time in this department, he was transferred to the cashier's division where soon afterwards he was made cashier. He served in this capacity until Feb. 10, 1903, at which time he was elected auditor of the Aetna Life. On Feb. 10, 1904, he was elected as a vice-president.

Lew H. Webb of Conkling, Price & Webb of Chicago has gone to New York and after a few days in the head office of London Guarantee & Accident, he will go to White Sulphur Springs, W. Va., to attend the casualty convention to be held there next week. He is vice-president of the National Association of Casualty & Surety Agents.

Edward J. Bond, Jr., president Maryland Casualty, was a guest in Nashville of Silliman Evans, former president and board chairman of Maryland Casualty, now publisher of the Nashville "Tennessean." While in Nashville Mr. Bond

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Special Agent for Los Angeles Territory. Must know casualty and fidelity lines thoroughly. Bureau Company. Ability and qualifications to advance are important. Give age and all details of experience in first letter. Address M-26, The National Underwriter, 175 W. Jackson Blvd., Chicago, Illinois.

#### AUTOMOBILE EXPIRATIONS FOR SALE

3,000 automobile insurance expirations in Chicago, including valuable additional personal information secured through five years of intensive work. Will sell for reasonable price. Am leaving insurance business. Address M-26, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

visited G. P. Wade, general agent Maryland Casualty.

T. D. Talmage, southeastern branch Fidelity & Casualty, Atlanta, was married Oct. 1 to Helen Louise Davis, daughter of R. B. Davis, general agent Protective Life, Orlando, Fla.

A 30-year service pin was presented to L. N. Webb, vice-president and director of the Provident Life & Accident. During the three decades Mr. Webb has worked in many departments. He is now head of the claim and group departments.

Earl Loux, St. Paul casualty manager of the Travelers, is in the Midway hospital there following a relapse after he was recovering nicely from an appendectomy.

C. E. Jones, 47, casualty underwriter for T. H. Mastin & Co., Kansas City, for 20 years, died.

#### Paul Haid Gives Talk on Defense Program

(CONTINUED FROM PAGE 5)

The world insurance market has shrunk and unadmitted reinsurance is frowned upon.

The capital stock companies were never better prepared than they are today, he said. Financial statements are impressive. During the past five years the average rate on protected property countrywide has been cut 25 percent. The liabilities of the companies at the end of the year will be almost at the 1929-30 peak with premiums 20-25 percent less; broader covers are available; the audit bureaus were never better equipped; there are excellent loss adjustment facilities, with larger and more mobile staffs. Agents have been improving their technique, education and engineering knowledge.

There is no reason, according to Mr. Haid, to change the present setup of the business to provide the service that

will be demanded in the emergency.

"Our concern is not primarily with increased rates," he declared, "although there is increased hazard." Mr. Haid said there has already been some evidence of sabotage. He asserted that the greatest problem faced by the government is divided loyalty and, Haid said, that is the greatest weakness of insurance. If there had been a greater degree of loyalty among the companies, he said, there would be fewer objectionable insurance laws.

Mr. Haid urged the agents to adopt a definite program of aligning themselves with the companies that are responsible for control, regulation and ethical practices. "The agents," he asserted, "must stand four-square with the capital stock companies."

#### War Risk Rates to Far East Withdrawn and Raised

(CONTINUED FROM PAGE 5)

surface now coming out into the open.

Later this week the underwriters withdrew scheduled rates to and from French Indo-China, rates now being quoted on application. While this action reflects the troubled conditions in that area, it does not necessarily mean a rate boost. The aim is primarily to enable the underwriters to make each rate on the basis of individual facts concerning each shipment and to have a check of the total amount of their commitments. The rate has been 2 percent for U. S. flag vessels and 5 percent for all others via the Cape of Good Hope; 1 percent for U. S. and 2 percent for others via Panama Canal or trans-Pacific. Rates via Suez Canal have for some time been on application only.

A serious crime was committed every 21 seconds of 1939 and 1,003 burglaries and robberies occurred every day as against 976 in 1938.

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No manufacturer can afford either the expense or the loss of prestige that can result from an injury claim against his product. And misuse or misapplication on the part of the

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## Pertinent Comment by Insurance Buyer

(CONTINUED FROM PAGE 19)

in his acquaintanceship, who, he said, has everything that an agent should possess. He keeps abreast of what is taking place in the insurance business at all times. He brings matters to the attention of his policyholders, which he thinks they should know. He inspects the plant and does not hesitate to say what he thinks about housekeeping and care of fire protection equipment. He knows where to go for information and does not hesitate to do so. He is loyal to his companies and at the same time to his clients. He never operated in a city of over 60,000 population, but he was outstanding in everything he did.

### Agents and Loss Adjustments

Mr. Wiggers said that one of the handicaps which must be overcome by an agent has to do with his loyalty to the companies he represents and to his clients. There is a sharp division at times, the speaker said. Too often the agent must give his loyalty to his company rather than to his clients. In loss adjustments particularly, he declared, this may be disastrous.

Mr. Wiggers spoke of two classes of agents; the first seems to be able to satisfy his clients and see that losses are adjusted satisfactorily and at the same time give his company the right support. The second is either indifferent to losses or lazy. When one of his clients reports a loss the agent notifies an adjuster, according to custom, and practically ignores the matter from that time on.

### Loss An Unusual Event

Mr. Wiggers thinks that there is a tendency for some agents to be careless about routine losses. To most assured, he said, a loss is an unusual event and it looms very large in his mind. Therefore, it is up to the agent to treat a loss seriously and follow it up until adjusted and paid. An agent, he said, must be independent, but at the same time he must show his willingness to go along with claimants when he is sure they are right.

Mr. Wiggers had something to say about automobile loss adjustments and property damage claims. He says that this type of claim causes more dissatisfaction with insurance companies and agents than any other. There is a suspicion that certain persons sustaining damage to automobiles as result of collision pad their claims, he said, or at least give themselves the benefit of the doubt when attempting to recover from the person causing the damage. Consequently adjusters are suspicious and seem to have adopted a general plan of attempting to settle claims on a compromise basis regardless of liability, he added.

### Obligation of the Agent

Speaking further, Mr. Wiggers said: "I think the agent has an obligation here not only to his clients but to the insuring public in general to see that claims are properly adjusted. True it is that fictitious or fraudulent claims are filed, but where the facts are clear it seems to me that claims should be adjusted in accordance with the terms of the policy. Again and again the adjuster quibbles and attempts to beat down a \$30 claim to \$10 or a \$75 claim to \$52.90. It may be smart for the adjuster to hold

down his company's losses by shaving a few dollars from such claims, but it is not helpful to the agent or his client."

Mr. Wiggers said that agents have a habit of saying a thing may not be done because it is illegal. When pinned down they add that it is not because of a state law, but because of a requirement of the insurance bureau. Mr. Wiggers acknowledges that insurance bureaus are necessary and accomplish a valuable purpose but he added, they are not infallible and many board rules and regulations are obsolete and cumbersome, in his mind. The agent, he said, should know whereof he speaks before making such a statement. One of the defects that Procter & Gamble has found in agents is their tendency to blame it all on a bureau. Mr. Wiggers said it is up to the agent to get these matters straightened out.

The speaker said that suspicion rests in the minds of many buyers that too many laws covering the insurance business are there to safeguard the agents instead of the public. He concluded: "If I were an agent I would undoubtedly be fighting for the same things for which your association stands but looking at it from the buyer's standpoint it seems that the agents are constantly endeavoring to find means to force assured to buy insurance from them only."

## Outlook for Farm Writing Agents

(CONTINUED FROM PAGE 19)

repute and—rightly so. Year after year the companies lost heavily as a result of a high burning ratio. It was only natural that some companies should tire of the battle and withdraw from the field. Some companies stayed in the battle, consolidated their position, and are slowly but surely turning the tide of battle.

### Carrying Out Instructions

"Continuing this simile," he said, "the general staff can issue orders but it falls to the lot of the agents' army to carry out the instructions. That they have been faithfully carrying out these instructions is attested to by the improved experience and the companies are not only willing but anxious to give credit where credit is due."

"Of all the instructions given the one requiring that conservative underwriting practices be followed is perhaps the most important. Fortunately, the agents realize more than ever before that the amounts of insurance written must be such that in the event of loss the farmer will suffer along with the company—that for this to be accomplished the utility value as well as the replacement value of the building must be considered. Establishing proper values is one of the most important duties an agent has to perform, for the nature of the business is such that the companies must rely in no small measure upon their agents to submit their business on this basis. The companies cannot afford to have each risk inspected by a fieldman. They have no maps to go by, only the application, and consequently they must have confidence in their agents."

Mr. Walinder declared when an agent

knowingly writes a sub-standard risk or when he places amounts of insurance on buildings that are not justified, such action can be likened to sabotage. When such sabotage occurs the company is not only placed in a position to suffer some financial loss but this also weakens the agency and furthermore exacts a penalty on all the good, honest policyholders over the entire state by denying them benefits which might otherwise be theirs.

The speaker asserted: "We are convinced that the agents today are more fire prevention minded than they have been. They appreciate that the farmer has a right to expect every service that can be rendered and it surely is only logical that the farmer should rely upon the agent for advice on fire prevention matters. Frankly, this is one of the services for which the agent is paid commission. It is more important that an agent be fire conscious to a higher degree when writing a farm risk than when writing a town risk."

### Should Offer Advice

"There was a time when too many agents were reluctant to offer suggestions or to make recommendations regarding a man's property, being fearful that the farmer might feel that his buildings and his home were being criticised. This viewpoint is vanishing and being replaced by a desire to serve. As a result, the farm business has profited and untold good is being done for the farmer. Another point that should be borne in mind from the underwriting viewpoint is this: Farm rates are based on an average risk including personal property as well as buildings. The proper spread requires that personal property be insured as well. Further, the practice of writing amounts on personal property lower than those justified by the value and also the amount written on livestock if not sufficient to cover the amount required by good underwriting standards—even to meet competition—weakens the farm structure and a penalty is exacted from the

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DECEMBER 31st, 1939

CAPITAL .....	\$ 2,000,000.00
Surplus .....	4,925,022.53
Voluntary Contingency Reserve .....	300,000.00
Reserve for Losses .....	4,411,967.35
All Other Liabilities .....	2,659,228.69
<b>TOTAL ADMITTED ASSETS .....</b>	<b>14,496,218.57</b>

NOTE: Securities carried at \$361,062.50 in the above statement are deposited as required by law.

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farmer who is willing to have his insurance written as it should be written. Failure to write the proper amounts of cover is just another form of sabotage.

"The importance of these points—the careful selection of risks, the proper underwriting of those risks, obtaining proper spread of liability, and intelligent fire prevention work—should conclusively prove one point to you and that is that the future of the farm business is largely in your, the local agent's, hands.

"With you agents seeking new sources of commission and the companies seeking new sources of income, it is but natural that the farm business should be further developed and that more and more of the companies will be willing to write the class even though they may be slow in actually seeking it.

#### Writing Hail Insurance

"When considering the future of the farm business there is one phase that is necessary to complete the picture, and that is the writing of hail insurance on growing crops. As in the business world, is it not just as important to insure one's income as it is to insure the property? In many of the central western states hail insurance is carried by almost every farmer. While that is not true in Ohio, hail insurance is on the increase. It is a matter of educating the farmer and the job belongs to the local agents. We expect the day is not far distant when hail insurance will be carried just as generally as windstorm insurance."

## Fundamentals Dealt with by John Lloyd

(CONTINUED FROM PAGE 20)

on their business. Naturally local agents are competing with one another. There will always be new agents, new companies, new methods. Some other agent will always be trying to take business away from another. He said it is wrong to expect the law or the association or the insurance department to keep an agent's business safe from the hard work of his competitors.

There are three situations to which Mr. Lloyd called attention which are in competition with the agency system as contrasted with the inter-agent competition for business. The first factor antagonistic to the American agency system is the so-called non-agency companies. This represents a comparatively new development in the business. These companies comply with the laws but their system does not comport with the spirit of the American agency system. These companies solicit through mail and by advertising and follow up inquiries through licensed persons. Within the last two years Mr. Lloyds said the department has required several of these companies to square themselves with the Ohio agency law but they do so through purely technical compliance. The non-agency principle remains and with technical compliance they operate in Ohio. The department and the agents are powerless to do anything about them under the present laws.

Mr. Lloyd said if agency service means anything, if a local agency is real in the place it holds in the insurance world, if the agent is on the job and serving his clients he will prevail in this competition with non-agency companies.

#### Unauthorized Companies

The second form of competition to which he referred is the unauthorized mail soliciting companies. They are domiciled outside of Ohio. They solicit by mail. For the most part they sell accident and health insurance. Their contacts are very limited. In the aggregate they take hundreds of thousands of dollars out of the state every year. They leave, he said, with policyholders very dubious contracts. The Ohio department is helpless because its authority does not extend beyond Ohio borders.

## Quiz Period Conducted by Roy A. Duffus of Rochester

Roy A. Duffus of Rochester, N. Y., in his talk before the National Association of Insurance Agents convention at Buffalo, propounded a few questions and gave the answers. The questions concluded Mr. Duffus' remarks as commentator at the merchandising forum Wednesday afternoon. He was preceded by E. W. Sawyer, attorney National Bureau of Casualty & Surety Underwriters and A. W. Barthelmes, secretary North British. He first asked:

What is your batting average on answering questions of fire and casualty coverage and rates? And do you believe your state association should establish or continue an educational course to keep its members tuned up upon modern developments?

Mr. Duffus posed six typical questions and based his prediction of the need of an educational course on the individual answers to each question. The questions and answers are:

1. Q. Your home is covered with a \$5 residence liability policy. You own a small retail store on which O. L. & T. will cost \$10. What is the yearly additional cost of adding that store on your residential liability policy?

A. \$7.50.

2. Q. You own a department store and O. L. & T. is written without property damage. Property damage on an area basis would cost \$1,000. Could a \$5 minimum premium contractors liability policy be written to give standard P. D. coverage on installation of household goods?

Its only weapon, he said, is education. The department has prepared lists of authorized companies and urges citizens to buy insurance only from licensed agents and authorized companies.

The third and most vexing situation centers about the automobile finance and discount company operations. Before he became superintendent Mr. Lloyd said he labored with this problem. Since he has been in office he has sought a law to reach it but he has found none. This activity seems to be fortified behind the fool-proof defense that the lender of money with an interest in the car has a right to insure it. By such rulings as the department can make legally, it has tried to curb these finance companies which seek to make a profit on insurance. This is a vexing problem, he said, which the department is endeavoring to solve.

Changing economic conditions, he said, have brought about the three problems that he has enumerated. The agency system should adjust itself to meet these conditions.

#### Three Fundamentals

Superintendent Lloyd said that it is claimed in some quarters that the agent as an institution is fighting for his life. Engaged in such a struggle, the agent should remember three fundamental things, in his opinion:

1. He should never yield the protection he has under the law. There are forces at work which would weaken his position by weakening the statutes. The proposed uniform countersignature law is one of these, he said. Its effect in Ohio would be to weaken the position of the agent. He said that he will oppose the enactment of such an act.

2. The agent should give wholehearted support to his own protective trade associations and take an active interest in their affairs.

#### True of Economic Necessity

3. The agent should remember that there is one law above all others which keeps him in business. It is not printed in the statute book. It is not to be found in a lawyer's library. It is the unwritten law of economic necessity. If an agent fails to obey the law of eco-

A. Yes.

3. Q. You own two motor boats. One is tied at the dock on your private estate. The other is in the boathouse on your premises. Its value is \$1,000. A \$90 search light is stolen from the boat at the dock. The boat in the boathouse is stolen. Its value is also \$1,000. Does your residence burglary and theft policy cover the full loss?

A. Yes.

4. Q. You own a 500-room hotel. You put up about \$200 of lunches each year to be eaten off the premises. Can you buy product liability insurance for a flat charge of \$10, not subject to audit?

A. Yes, with bureau approval.

5. Q. Your auto sales agency takes in about \$500 in cash each week. It is put aside for purely payroll purposes. Will a paymaster robbery policy cover it during the entire week?

A. Yes, if earmarked for payroll exclusively.

6. Q. Residence burglary insurance is in the amount of \$1,000 under Section (a) and \$1,000 under Section (b), with \$1,000 on Theft Away from Premises. Hold-up men enter your home and take a diamond ring from your wife. They also take \$200 in cash from you. What part of all this is covered?

A. \$1,000 on ring in section (a). \$500 on ring under theft away from premises. \$50 on money stolen, under Section (b), and \$50 on the money on theft away from premises.

conomic necessity, if he fails to render real and definite, honest and worth while service for his commission, then Mr. Lloyd said that all the laws cannot keep him in business.

He counseled the local agent to remember that he is a part of the American business system and unless that system survives he cannot survive. If the American system goes down in totalitarianism the agents go down with it. If it collapses under regimentation the insurance agent collapses with it. If it is blown away in inflation the agent goes with it.

## Many Opportunities Seen for Group Solicitation

(CONTINUED FROM PAGE 21)

about 10 percent of all disabilities. The first group accident and health policy was issued in 1915. Today eight leading companies writing this form insure over 10,000 concerns and more than 3,000,000 wage earners. The amount of insurance involved is in excess of \$40,000,000 of weekly indemnity. The premiums are in excess of \$28,000,000 annually.

In 1921 the first pension fund was insured with an insurance company. Here was the start of another group insurance line, viz., group annuities. The seven leading U. S. companies in this field are holding reserves of over \$700,000,000 for more than 500,000 employees and the reserves are growing at the rate of more than \$100,000,000 a year.

#### Group Hospitalization

Mr. Armstrong said that the most recent line of group insurance to be developed is hospitalization. It is really an outgrowth of group accident and health. Companies started writing employees hospitalization insurance on a group basis in about 1928. A recent step has been the inclusion of insurance against the cost of surgical operations and hospitalization benefits for employees' dependents. Today there are over 3,000 concerns which have arranged group hospitalization insurance with companies for their 1,500,000 employees. He said that this form of insurance is enjoying the most rapid rate of growth of any of the group lines. The volume

of insurance in force has more than doubled each year for the past several years. For many years he said individual accident and health policies have contained a hospitalization feature. The primary feature of the policies is the weekly indemnity to replace lost earnings. Simultaneously with the development of group hospitalization there have also developed non-profit hospital service associations. There are over 60 such concerns and they cover about 5,000,000 people. Mr. Armstrong said it is highly necessary for the agents to know the differences between the nonprofit plans and the insurance company plans.

#### Two Plans Are Contrasted

Group hospitalization contracts are made with employers for the benefit of their employees and in the event of hospitalization benefits are paid directly to the employees in the amount stipulated. Non-profit organizations, however, contract with hospitals to provide the service. If hospital beds are available in the hospital under contract the subscribers are fully protected to the extent promised. Under insured plans the amount of daily benefits, fees for anaesthetics, laboratory, x-ray, operating room as well as surgical fees depend upon the schedule of benefits adopted. Benefits under the non-profit plan are based on charges made by the hospital whether or not all or only part of the charges were taken care of by the plan. Non-profit plans provide hospital benefits for dependents and were the first to include this option. Modern insured plans include dependents' coverage if desired.

The insurance plans, he explained, are more strictly underwritten with respect to the number of employees and the percentage of participation. Insurance companies do not insure groups of less than 50 lives and at least 75 percent of all eligible employees must come in. Most non-profit plans write groups smaller than 50 lives and do not require any such high percentage of participation.

#### Commission to Agents

Non-profit plans, he said, do not pay any commissions. Insurance companies, however, have learned through many years of experience that the commission basis is sound. He said there is a large field for selling group hospitalization. It ties in very well with other group contracts. While much of the growth of group hospitalization is due to the foundations laid by other forms of group insurance, the non-profit plans have also aided in furthering its popularity, he added.

The ideal arrangement for a group policy, he explained, and the most practical is for the employer and the employee to share in the premium although group disability and hospitalization may be paid for entirely by the employees. There are many good sound reasons he pointed out why employers arrange group insurance for their employees. The principal one undoubtedly is that employees need the coverage to be provided and the employer through his corporate purchasing power can be the provider. In addition companies know that they have improved employee relationships by the adoption of such a plan. Employers actually save money in operating their business by providing employees with group protection.

#### Have Group Representatives

Most of the great companies have regular salaried home office staff group representatives who assist agents and brokers. They are experts in their line. They assist in promoting the idea of group insurance, in the actual building of the plan and the schedule of benefits to fit the needs of a client's employees. They install the case for the producer.

Mr. Armstrong said that the information that a producer needs with which to approach clients on the subject of group insurance is not technical and would be readily given by any company that writes this kind of a contract. He said that Ohio with its many fine cities, small and large, is a good one for general business and for group insurance as well.

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# INSURANCE NEWS BY SECTIONS

## MIDDLE WESTERN STATES

### Ala. Congressman Featured Speaker for Ill. Meeting

Joe Starnes, Alabama representative in Congress, will be the featured speaker at the convention of the Illinois Association of Insurance Agents, Oct. 24-25, at Rockford. Representative Starnes, who is vice-chairman of the Dies committee on the investigation of un-American activities and who is a member of the house appropriations committee, will address the meeting on "National Defense Needs and Problems." He is a



JOE STARNES

native of Guntersville, and was an attorney until elected to Congress in 1934.

Other speakers on the program include P. H. Midyette, Tallahassee, Fla., newly elected president of the National Association of Insurance Agents, who will talk on the activities of that body; L. E. Falls, vice-president American of Newark, who will give his views on fire insurance, and E. J. Bond, Jr., Baltimore, president Maryland Casualty, who will talk on surety bonds.

The first morning of the convention there will be an agents' conference, which will include regional vice-presidents, local board officers, and company field men. Luncheon conferences will include accident and fire prevention, casualty and automobile, and meetings of advisory committees consisting of vice-presidents and national councilors. An educational film, "A New Voice for Mr. X," produced by the Bell Telephone Company, will be shown.

### Salzman Addresses Detroit Agents at October Meeting

DETROIT—The insurance business has been altogether too lax about telling the public frankly and candidly what its story is, Elmer Salzman, secretary-manager Detroit Association of Insurance Agents, told members at the October meeting. D. T. Marantette, Detroit Insurance Agency, presided.

Mr. Salzman told the agents they are in the business to make profits and there is no reason to feel or apologize for this. It is the business that makes a profit that stays in business and continues to give the public more for its money. There is plenty of competition in the insurance business and for that

reason the cost of insurance will always be low.

In explaining the necessity of organization, Mr. Salzman said that one man standing alone cannot do much, but 10 standing together can do 100 times as much as one man alone. National, state and local associations have rendered substantial public service by preventing conditions from becoming a lot worse than they are today.

The attitude of the insurance business, he added, has been definitely defensive, and this defense is important and has substantial value. He delved into the field of marine insurance and into the many varieties of policies which this field offers. He discussed the rates for both fire and casualty lines and how they had gone down due to the efforts of associations in preventing fires by educational programs and inspections. In closing his talk, Mr. Salzman expressed the necessity for agents to work in the public interest in fire prevention work.

### Program Announced for Cincinnati Meetings

The Cincinnati Fire Underwriters Association has planned a busy fall season, leading off with the meeting Oct. 10, when R. K. Hill, superintendent of the service department of the Springfield Fire & Marine at its western department in Chicago, will speak on use and occupancy.

Later in October an educational and sales congress will be held, an open meeting to include solicitors, when Vice-president S. G. Drake of the National Surety Co. will be the speaker. Also at that meeting the Stock Fire Insurance Speakers Association of Ohio will put on one of its sales skits.

The first meeting of the insurance advisory group with the Cincinnati Association of Credit Men will take place early in November, with T. A. Fleming, supervisor of the conservation department of the National Board, and Edward Moran of the National Association of Credit Men, Chicago, as the speakers.

### Thompson Elected President

MINNEAPOLIS—R. A. Thompson of Wirt Wilson & Co., was reelected president of the Minneapolis Underwriters Association, and W. W. Vocht, Marsh & McLennan, vice-president, at the first meeting of directors following the recent annual meeting. Plans were discussed for establishing a producers school for which a fee would be charged to obtain lecturers of note. The directors have received a number of applications for the post of manager from which P. H. Ware resigned at the annual meeting. He will continue to serve until a successor is named.

### Expect New Kansas Record

HUTCHINSON, KAN.—A record attendance is expected here Oct. 9-10 for the annual convention of the Kansas Association of Insurance Agents. Headquarters are the Bisonte Hotel.

R. P. Miller, general chairman, and Wade Patton, veteran secretary of the Kansas association, have seen that every detail of the speaking and entertainment program is complete and a duplication of the widely acclaimed mid-year meeting, held in conjunction with the Wichita mid-year meeting of the National association which was also in charge of the Hutchinson committee, is assured.

A get-together dinner will be held Wednesday night for the executive com-

### Chairman of Minnesota Agents Energetic Worker



LEROY ENGBERG

Leroy Engberg, newly-elected executive committee chairman of the Minnesota Association of Insurance Agents, believes in giving freely of his time and energy for the good of the business. Although he has been in the local agency business only about five years, he has taken an active part in promoting the interests of the local board in St. Paul and of the state association. He has served on the executive committee of the St. Paul Insurance Exchange and last year was membership chairman of the state association. Under his direction the membership reached an all time high of close to 700. Mr. Engberg also was on the committee in charge of the 1940 midyear meeting of the state association.

He conducts a local agency in a populous outlying district of St. Paul, where he formerly was associated with a bank.

mittee, past presidents and honorary members. The smoker that evening will be featured by presentation of the golf prizes won in the annual tournament that afternoon at the Hutchinson Country Club.

The executive committee gathers Monday night for a two-day advance session. B. D. O. activities will be the subject of two luncheon meetings attended by zone chairmen, local board officers and the executive committee.

### Wilgus Heads Rockford Board

F. A. Wilgus of Carrico & Wilgus was elected president of the Rockford (Ill.) Board of Fire, Casualty & Surety Underwriters at the annual meeting, succeeding A. L. Sparks. G. A. Moser was elected vice-president; K. A. Graff re-elected secretary and H. L. Shannon re-elected treasurer. Mr. Sparks and W. H. Jennings, Jr., past president Illinois Association of Insurance Agents, were elected directors.

### Guy Discusses Adjusting Losses

INDIANAPOLIS—In order to establish actual loss sustained there must be a starting point and that is replacement cost at the time the loss occurs. A. C. Guy, Columbus, O. manager Western Adjustment, stated in speaking to the Indianapolis chapter of the Society of Residential Appraisers. After the re-

placement cost is determined the depreciation is deducted, taking into consideration useful life, obsolescence, inadequacy, change in level of prices, physical wear and tear, location, style, type of construction and utility. After this deduction from the replacement cost it is reasonable to presume that the result is the insurable or sound value or the actual loss sustained by the insured, Mr. Guy said. Commissioner Viehmann of Indiana introduced Mr. Guy.

### Van Buskirk Elected in Shenandoah

SHENANDOAH, IA.—Frank Van Buskirk has been elected president of the Shenandoah Association of Insurance Agents, succeeding the late J. F. Lake. Mrs. E. Russell Redmond was named vice-president and John S. Cutter was reelected secretary-treasurer.

### NEWS BRIEFS

H. L. Henry, Hartford Accident, addressed the Southwestern Minnesota Agents Association in Worthington on "Liability Insurance."

B. E. Froehde, Canton, O., was elected president of the local chamber of commerce. Before going to Canton to operate an insurance agency, he was a field inspector, adjuster and traveling representative for a brokerage firm in Chicago.

The Insurance Women of Milwaukee will resume their monthly dinner meetings Oct. 7. Officers to be installed are Lucille Jahn, president; Hilda Rogers, vice-president; Betty Oaks Young, corresponding secretary; Beryl Getty, recording secretary; Selma Rathke, treasurer. Mayor Zeidler will speak on "An Ounce of Prevention."

The Ohio Inspection Bureau is inspecting Bellaire Martin's Ferry, Bridgeport, St. Mary's, Celina, Hicksville, Lowellville, Leetonia and Girard, together with a few smaller places in Ohio.

Lee Taylor, state agent Commercial Union and secretary Iowa Fire Underwriters Association, will address the Burlington Association of Insurance Women Oct. 8.

J. F. Nichols of Oakes, N. D., has been reelected president of the North Dakota Association of Insurance Agents and C. H. Simpson of Fargo continues as secretary and treasurer.

John Engstrom, Jr., has joined the Harris, Burns & Co., Wichita to fill the gap caused by the recent death of Duane T. Stover. He has been with the Noble agency for two years.

H. S. Searle, Crum & Forster state agent, Topeka, addressed the luncheon meeting of the Wichita Insurance Women, discussing conscription and the war situation. Mr. Searle is an officer in the Kansas national guard.

The annual Hammond Insurance Agents Association party was held at the country club, with golf and other outdoor sports and a dinner which followed.

H. J. Favorite, Tipppecanoe City, O., has purchased the agency of the late W. M. Kessler.

R. E. Carver has joined the G. R. McConnell agency, Troy, O., as a partner.

Because of ill health, J. P. Bower, Rushsylvania, O., has sold his agency to G. F. Laville.

Mense Brothers, Hamilton, O., have purchased the Elizabeth Decker agency.

J. D. Tomlinson, Chillicothe, O., has taken over the agency of his uncle, C. J. Tomlinson, who died recently.

The Trager Agency of Lansing, Mich., has moved to 307 Capital Savings & Loan building. C. F. Trager is president, W. O. McManus, secretary and treasurer and Agnes Doty, assistant secretary.

Richard Dibble, son of H. C. Dibble, who recently retired from Allen-Hartzell-Dibble Co., Wadsworth, O., has opened an agency there.

H. S. Shepard has been named manager of the insurance department of the Fletcher Trust Company, Indianapolis.

He was graduated from the Wharton school of the University of Pennsylvania.

At **Alliance, O.**, W. J. Cole has taken A. L. Cope as a partner and the agency will be known as **Cope & Cole**.

G. L. Moore, Jr., **Ohio City, O.**, has taken over the agency of his father G. L. Moore, Sr., who died recently.

G. W. Quinby has retired from the W. C. Myers & Co. agency, **Wooster, O.**, and is succeeded by Ivan Steiner, a former solicitor.

The Garrett & Felton agency, **Tiffin, O.**, has been transferred to Scott Garrett and E. L. Reed and will be known as **Garrett & Reed**.

## SOUTH

### City Officials, Underwriters Confer on Birmingham Rates

A further study of fire experience in Birmingham, Ala., is necessary before a rate reduction can be made, officials of the Southeastern Underwriters Association indicated at a conference with Birmingham city officials. Among those attending were L. C. Sledge, assistant secretary S. E. U. A.; L. P. Goodwin, Montgomery, manager Alabama Inspection & Rating Bureau, and E. C. McGarity, manager Birmingham office of the bureau. E. L. Connor, commissioner of public safety, said the city had spent \$150,000 for new fire equipment, installed 500 new fire plugs, and for the first seven months this year had only \$169,810 fire loss against \$298,592 for the same period in 1939. It was contended residential rates were higher than in Atlanta, New Orleans and other comparable cities. Rating officials said reductions ranging from 5 to 65 percent had been granted on about 70 percent of the property classifications since 1934 or 1935 and the average rate reduction was about 25 percent. They said Alabama taxes insurance companies more than in other states, the tax in Birmingham being nearly 7 percent, including a 4 percent premium tax.

### Texas Committees Meet Jointly

A joint meeting of the board of directors and the legislative committee of the Texas Association of Insurance Agents will be held in Fort Worth Oct. 3. This will be the regular meeting of the board of directors, at which arrangements for holding a series of 12 educational meetings for agents in different parts of the state will be discussed. Also, the 1941 convention city will be selected.

The legislative committee is meeting with the board to adopt a legislative program, which will include principally sponsoring of a bill at the next session of the legislature to correct many of the defects in the law providing for the licensing of fire, casualty and surety agents. Officers of the association are B. A. Calhoun, Houston, president; E. C. Gambrell, Dallas, vice-president, and D. G. Foreman, Fort Worth, executive secretary.

### Finds Foreign Carriers Sound

TALLAHASSEE, FLA.—Commissioner Knott stated in response to many inquiries that United States branches of foreign companies are entirely responsible to their clients in this country for

all obligations assumed. The branches are regulated and operated, he said, on such plans as to leave them secure regardless of the outcome of the European war. They are required to maintain capital, surplus and reserves the same as home companies as related to the business done through the branches, and supervision by the states sees to it that they fully meet all the requirements that are laid upon domestic companies. He noted that Superintendent Pink of New York in a letter stated that foreign companies of all nations have had a remarkable record in this country, due not only to their stability, but to the wise law enacted by the states and effective state supervision. There was an effort that failed in the last Florida legislature to bar foreign and domestic companies having more than half their capital stock held outside the United States, except in countries not indebted to or in default of debts to this country.

### Goodpaster on Conscription

Commissioner Goodpaster of Kentucky has issued a statement to all insurance companies and agents concerning agents called into military and naval services. The statement says in part: "In the event a licensed insurance agent is called into service of the United States government, he may file with the director of insurance power of attorney properly executed and recorded to any person suitable to the insurance companies represented by him and acceptable by the director of insurance to perform for him and act in his behalf and to have all the powers granted him under licenses held during the period of such service without the necessity of such designated person procuring licenses, or paying any fee therefor."

### Ga. Executive Committee to Meet

The executive committee of the Georgia Association of Insurance Agents will meet at the Dempsey Hotel, Macon, Oct. 9-10.

### S. E. U. A. Will Meet Nov. 18-20

The semi-annual meeting of the Southeastern Underwriters Association will be held at Pinehurst, N. C., Nov. 18-20.

### Alabama Cover Is Apportioned

BIRMINGHAM, ALA.—The state of Alabama distributed its fire insurance among 204 agents of the state, the total amount of coverage placed on state

properties being \$19,284,865 and the premium \$136,433. The state required 93 of the agents to place the business with three Alabama companies, Birmingham Fire, Bankers Fire & Marine and Stonewall. The state annually insures its properties for about \$45,000,000, the state fund assuming risks on that not placed with stock companies.

### D. E. Moodie Resigns

D. E. Moodie, representative at Atlanta of the inland marine department of the North British & Mercantile, has resigned. His successor will be announced shortly.

### Award Part of New Orleans Cover

Leon Irwin & Co., New Orleans, were the successful bidders for the automobile fleet insurance of the Port of New Orleans, quoting a premium of \$1,844. Sixteen other agencies bid.

### Okla. Rate Hearing Postponed

The hearing on fire insurance rates in Oklahoma scheduled for Sept. 26 before the Oklahoma insurance board was postponed until Oct. 16.

## NEWS BRIEFS

The Atlanta Association of Insurance Agents will have its annual outing at the Brookhaven Country Club Oct. 18. Sports events will be in charge of the Atlanta Insurance Women's Club, which is sponsored by the association.

G. W. Kline, manager Fire Companies Adjustment Bureau addressed the Insurance Women's Club of Oklahoma City on the new automobile policy. Club members were invited as guests of the Tulsa Insurance Women's Club Oct. 19.

Charles McKenzie, Monroe, La., local agent, has been appointed assistant to the director of the Louisiana highway commission.

A. D. McBryde, retired Jackson, Miss., Fire Companies Adjustment manager, is now making his home at Pass Christian, Miss.

L. E. Oates has purchased the agency operated for 25 years by G. S. Minnier at Paris, Ark.

H. E. Bethell, until recently a partner in the Davenport-Bethell agency, Tulsa, Okla., has opened the Bethell agency in the Thompson building there.

The Johnson & Carpenter agency at Elk City, Okla., has been sold to F. O. Binkley of Alva.

The Sumner County Farm Mutual, Gallatin, Tenn., has been chartered.

## EAST

### Program for Mass. Agents Announced

WORCESTER, MASS.—The annual meeting of the Massachusetts Association of Insurance Agents will be held at the Hotel Bancroft in Worcester Oct. 7-8.

The agents will register Monday. Late that afternoon organization of the Massachusetts Insurance Women's Association will be completed with adoption of by-laws and constitution and the election of permanent officers. At the banquet that evening greetings will be extended by Mayor Bennett and brief talks will be given by Deputy Insurance Commissioner E. S. Cogswell and J. W. Downs, counsel of the Insurance Federation of Massachusetts. The address of the evening will be by L. E. Falls, vice-president American and president National Automobile Underwriters Association.

Tuesday morning at 10 reports will be given by President F. R. A. McGlynn of Worcester and other officers and committees. Lynn P. Marsh, president of the Bay State Club, will give a short talk.

In the afternoon T. G. Redden, National association executive com-

### THE FRIENDLY POEMS OF EDGAR GUEST



### NEIGHBORLY

Not far I'd travel. There's no need!  
Here I can do the kindly deed.  
Not great, but neighborly I'd be.  
Would better know the ones I see  
From day to day, and better share  
Their fleeting joys and times of care.  
I'd speak with deeper meaning, too,  
The morning's greeting: "How d' you do!"  
And reap from life as much of love  
As those who reach the heights above.  
EDGAR A. GUEST  
(© Used by perm. Reilly & Lee Co., Chicago.)

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mitteeman and former president of the North Carolina association, will discuss National association work. R. J. Devine, Royal-Liverpool groups, will speak on the agency system; D. C. Bowersock, secretary, Providence Washington, on inland marine, and E. S. Oppenheimer, general manager Associated Insurance Agents & Brokers, on direct writers.

#### New Hampshire Women to Meet

In connection with the annual meeting of the New Hampshire Association of Insurance Agents at the Hotel Carpenter, Manchester, Oct. 30, the New Hampshire Insurance Women's League will hold its annual meeting at the same time. R. F. Perkins of Manchester is president of the New Hampshire association.

#### Pittsburgh Club's Tournament

PITTSBURGH—The final golf tournament of the season was held by the Insurance Club of Pittsburgh with attendance of about 95. Winners in the golf tournament included P. K. Garver, Glens Falls; Walter King, United States Fidelity & Guaranty; Lou Potyka, Continental; W. D. Weathers, manager Retail Credit Company; Frank McCaffrey, Thomas McCaffrey Company; W. D. Weathers, Retail Credit Company. Ralph Alexander, deputy commissioner, spoke at the dinner.

#### North British Delegation

PITTSBURGH—Representatives of the North British & Mercantile who are on hand at its headquarters throughout the convention of the Pennsylvania Association of Insurance Agents here this week, include Secretaries R. T. Stewart, H. B. Standen and A. W. Barthelme; Publicity Director W. J. Traynor; T. M. Patterson, secretary Philadelphia department, and Special Agents F. A. Meisel and G. W. Feller of the Pittsburgh service office.

#### North Middlesex Board Formed

GROTON, MASS.—The North Middlesex Board was organized in Groton and will be made up of fire and casualty agents from Ayer, Townsend, Shirley, Pepperell, Harvard, Westford and Littleton. E. M. Young, Littleton, is president and Miss Elizabeth Bennett, Ayer, secretary. A. H. Clarke, secretary Massachusetts Association of Insurance Agents, and President Lynn P. Marsh of the Bay State Club, special agent Home, were speakers at the organization meeting. The board will hold four meetings annually, the next gathering to be in January.

#### N. J. Insurance Women Meet

Charles Roth, staff writer Bergen Evening Record and a member of the National Safety Council, spoke on "Fire Prevention" at the first fall meeting of the Insurance Women of New Jersey in Newark. Ada V. Doyle, Caldwell, presided. Hulvah Doane, Ridgewood, program chairman, introduced the speakers. An added feature of the meeting was the exhibition of various types of fire extinguishers.

#### Boston Forum Resumes

BOSTON—The Insurance Forum of Boston at its first fall meeting Thursday evening will take up the study of allied lines, led by Ralph Thacher of the Cyrus Brewer agency and Charles

Ozier of the New England Rating Association. President Alfred Lounsbury of Patterson, Wilde & Windeler will preside.

#### Plan New Massachusetts Boards

BOSTON—Representatives of the Massachusetts Association of Insurance Agents and the Bay State Club are completing plans for the organization of local boards in Arlington, Somerville and Stoughton.

#### Hall Heads Haverhill Board

HAVERHILL, MASS.—The Haverhill Board has elected the following officers: President, C. W. Hall; vice-president, J. R. Page; secretary-treasurer, P. F. Brooks; auditor, M. A. Basso; executive committee, F. S. Anthony and G. E. Kimball; municipal insurance committee, H. G. Look and H. E. Rowe.

#### New Hampshire Meet Oct. 30

MANCHESTER, N. H.—The annual meeting of the New Hampshire Association of Insurance Agents will be held at the Hotel Carpenter in Manchester on Oct. 30.

#### Town Coverage Discussed

NEWBURYPORT, MASS.—Members of the Newburyport Board heard a discussion of town insurance at its last meeting by H. J. Landen, Springfield F. & M. special agent and member of the public relations committee of the Bay State Club.

#### Pearl Opens Camden Office

Pearl has opened an office in Camden, N. J., located on the street floor at the northwest corner of 7th and Market streets. E. J. Patterson has been appointed special agent and will be in charge. He has been associated with the insurance business in Camden and vicinity since 1916.

#### Zone 1 Commissioners to Meet

The insurance commissioners of Zone 1 of the National Association of Insurance Commissioners will meet in Hartford, Oct. 7, for a round table discussion. They will be the guests of Commissioner Blackall of Connecticut, who is chairman of the zone committee. The zone includes the New England states, New York and New Jersey.

#### Salisbury Heads Middlesex Agents

NEW BRUNSWICK, N. J.—The Middlesex County Association of Insurance Agents has named W. B. Salisbury, O'Connor & Salisbury, New Brunswick, as president succeeding S. C. Schenck, Jr. Other officers are: A. M. London, vice-president, and T. F. Brown, secretary-treasurer (re-elected).

#### Brown Elected Monmouth President

ASBURY PARK, N. J.—O. H. Brown, 2nd, Spring Lake, has been elected president of the Monmouth County Association of Insurance Agents. John F. Folk, Brielle, N. J., is vice-president and E. E. Rogers, Belmar, was re-elected secretary-treasurer.

#### Fieldman's Day at Ocean City

A special "Fieldman's Day" is being sponsored by the Ocean City, N. J. Insurance Association at the Ocean City Country Club on Oct. 8. There will be

a golf tournament, sports and a dinner in the evening.

#### Joint Albany Outing Held

A joint outing was held by the Albany Casualty & Surety Club and the Albany Field Club at the Thompson's Lake near Albany. A feature was a softball game in which the Casualty & Surety Club emerged triumphant, 6-3. Over 100 attended the clambake in the evening.

#### Eastern Field Briefs

The annual meeting of the Rhode Island Association of Insurance Agents will take place at Turk's Head Club, Providence, Oct. 23.

Henry McKeen & Son have moved their office to the ground floor of their own building, 60 North Fourth street, Easton, Pa. D. T. Pursel is president and treasurer, Clara C. McKeen, vice-president and secretary, M. I. Blumstengel, assistant treasurer, F. W. Zilker, assistant secretary.

R. A. Jones, North Bennington, Vt., was presented with a sterling silver pitcher by the Great American in recognition of 25 years of service.

## COAST

#### Becker Wins in Washington Primary in Final Count

SEATTLE—After the Republican nomination for Washington insurance commissioner had virtually been conceded to George B. Lamping, former Seattle port commissioner, Fred C. Becker, assistant Seattle manager Equitable Society, was reported the official winner by a margin of 323 votes. Official returns gave Mr. Becker 68,770 to Mr. Lamping's 68,447 votes. The third Republican candidate, Ray J. Schneider, Issaquah, polled 39,788, bringing the total Republican vote to 177,006.

Commissioner Sullivan won the Democratic nomination easily, polling 158,959 over his lone opponent, G. E. Stokes, who received 51,133 votes. The total Democratic vote was 210,092.

The Lamping-Becker race was the most sensational of the Washington primary election and was not finally determined until the official results were announced Oct. 1. In the last compilations made by the various press services 10 days ago, Mr. Lamping was leading Mr. Becker by over 1,000 votes after the lead had changed twice. The election is Nov. 5.

#### Mont. Fire Loss Average Lower

HELENA, MONT.—Fire losses in Montana the first six months of 1940 totaled \$252,918, A. C. Parsons, state fire marshal said in his semi-annual report. The losses are substantially below the 1939 figure, which was \$780,907 for the entire year. At the beginning of the second half year, however, fire losses are greater with the burning of the Northern Hotel at Billings, where the estimated loss was in the neighborhood of \$600,000.

#### Wash. Insurance Society Elects

SEATTLE—Robert Hitchman, Seattle, Northwestern Mutual Fire, was elected president of the Insurance Society of Washington at its annual meeting, succeeding R. J. Beech, General of Seattle.

Other officers chosen were: Vice-presidents, J. B. Moorhouse, United Pacific,



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and J. L. Stewart of the Fireman's Fund; secretary - treasurer, Miss Carol Hinkley. Branch vice-presidents are: Casualty, John McGuiness, Sunset Underwriters, Inc.; fire, L. G. McKnight, General; ocean marine, J. M. Brace, Fireman's Fund; inland marine, W. A. Brown, Jr., Marine Office of America.

### Plan Washington Series

SEATTLE, WASH.—Plans for a series of educational meetings in key cities are formulated by a joint committee of the Special Agents Association, and the Insurance Agents League of Washington.

### Reynolds Speaks in Spokane

President J. W. Reynolds of United Pacific spoke to the Spokane Insurance Association on traffic safety. He recommended that Spokane inaugurate the same plan as in use in Seattle for financing safety plans.

### Oregon Parley Is Called

PORTLAND, ORE.—Harry Hollister, chairman executive committee Oregon Insurance Agents Association, has called a meeting here on Oct. 11 to consider plans for the year's activities.

### NEWS NOTES

A. F. Muentner, Pacific Coast manager Lumber Mutual Fire, Mass., with headquarters at San Francisco, has opened a southern California office in charge of Mrs. Grace A. Reid as office secretary.

Alfred Davancens, Edward Brown & Sons, San Francisco, won the round trip to Honolulu via Pan-American Clipper, offered on Insurance Day at the San Francisco fair.

A lesson in public speaking was given at the luncheon of the Insurance Accountants Association in San Francisco by Paul Nixon, public speaking expert.

Inasmuch as the Arizona Association of Insurance Agents will hold its annual meeting at the Hotel Westward Ho, Phoenix, Nov. 1-2, J. C. Lynch, Jr., has been chosen as chairman of the convention committee with Ed. Bringham, Ralph Cash and W. W. Stone as co-workers, all in Phoenix.

H. E. Helm, secretary Fidelity & Guaranty Fire, was in Portland, Ore., to confer with Louis Conser, special agent, and Manager M. K. Spratt of the U. S. F. & G.

V. R. Taylor of the H. C. Pownall agency, spoke to the educational class of Insurance Women's Association of Portland, Ore., on malpractice, hospital and druggists' liability.

The Northwestern Mutual Fire and the Northwestern Casualty, have opened new, enlarged offices in the Symonds building in Spokane, Wash. L. J. Nelson is manager.

The Insurance Women's Association of Seattle, Wash., held its first meeting. Anita Richardson, Tacoma, vice-president of the National association, reported on the Denver meeting.

### Shultes Chief Statistician

ALBANY, N. Y.—Davis L. Shultes, who has been acting senior statistician of the New York department since the retirement of Charles Maar more than a year ago, has been appointed to the post permanently as the result of standing first on the civil service list of those eligible for the position. In addition to his experience qualifications, Mr. Shultes was first in the competitive examination held for the post.

Mr. Shultes is well known to many in the insurance business, as he has charge of the annual statements and other data available for public use at the department's Albany office. Mr. Shultes' readiness to help visitors find whatever they are seeking makes his appointment a popular one among the large number of insurance men whom he has aided in this way. Before becoming acting senior statistician Mr. Shultes was an examiner in the brokers' bureau.

## President Earls Makes Recommendations

(CONTINUED FROM PAGE 18)

cies have been forced to turn over businesses that have taken one, two and sometimes three generations to build. Our aim is to make it possible for such agents in distress to have a haven to which they can look for confidential advice and guidance. Such a department of the state association may be made their sanctuary.

"Some of us have seen valuable agencies in trusteeship whittled to pieces by delays in formulating a financial plan, in utter lack of practical agency knowledge and operation. If such an agent had competent guidance, his business might be salvaged without loss to the companies or disruption of the agency, and the plant of the companies in the agency saved.

"This department of the Ohio association can be of invaluable help to both companies and agents, where controversies arise. We stress particularly that we are not suggesting this department with a view of browbeating the companies or antagonizing them or setting up barriers to prevent collection of balances that should be paid; conversely, the plan is to cooperate in the interest of the business itself and to preserve, if possible, an agent's life work where merit prompts its preservation.

### Adjust Vital Situations

"We are setting up this plan with the expectation that we may be able to work with both sides in an attempt to adjust vital situations. We firmly believe it can be done with less expense to the companies than the present manner of handling trustee agencies, and with infinitely less notoriety and humiliation to the agent involved.

"If both the interested agent and the company representatives could meet with the service department of the state association in its Columbus office, or any other designated place, much delay would be eliminated setting up the machinery. It would hardly be expected that the association would bear the burden of the legal expenses involved. This would be strictly a confidential matter between the agent, the companies and the attorney the association would suggest. But bear in mind, the association would exact no fees for the service it renders."

### Educational Program

Mr. Earls recommended that the educational program be continued as a permanent activity, leaving the form it should take to successive administrations. In this connection, he paid public thanks to the United States Fidelity & Guaranty Company and to J. Dillard Hall of that company for making possible the condensed casualty insurance course instituted by his administration.

Paying tribute to the casualty companies, Mr. Earls said:

"We have not hesitated to criticize these companies for action such as adoption of the safe driver reward plan. We must be just as prompt to give them due credit for their farsightedness in giving us a better automobile policy and a more satisfactory liability policy to sell our customers. I think it fair to state that the beginning of the campaign for

broader coverage in all lines was made in our old western agents conference in our meetings with the western department managers ten or 15 years ago. We have been harping on that subject for a long time. We express our gratitude to the casualty companies for their forward step."

### Comment on Foreign Companies

Mr. Earls was vehement in denouncing reflections made on the security of the policies of the admitted foreign companies. He singled out a statement made by the president of the National Association of Mutual Insurance Companies at a recent meeting in Cincinnati, L. G. Purmort of Van Wert, O., saying that "he called up the shades of Benjamin Franklin and James Monroe, and presumed to state his belief that if these statesmen were alive today they would agree that there isn't much logic in sending American dollars abroad to buy foreign insurance when we have ample capacity here at home."

"I offer you that quotation," he said, "as an example of the indiscriminate sniping to which these honorable companies are subject, and to point out our duty to defend them against it with our knowledge of the abundance of their resources in this country, their employment of thousands of American office workers, and their representation by many thousands of local agents such as ourselves. Both loyalty and business judgment dictate that we occupy the first line trenches in fighting off attempts to besmear these companies, and thereby disrupt their business and ours."

### Denounces Virginia Decision

In regard to mandatory division of commission by statute, Mr. Earls said the action of the U. S. Supreme Court in upholding the Virginia statute was a surprise to the entire insurance industry. He expressed the opinion that Ohio agents would make an irremediable mistake if they should try to secure legislation which the companies believe would work an injustice on agents of other states, the companies themselves, and the business as a whole.

In his comprehensive address, Mr. Earls said that only time will tell whether the nation-wide formula adopted by the Home Owners Loan Corporation to insure its interests in properties on which it makes loans through the Stock Company Association, will prove workable.

On cases before the insurance department and in the courts, he said that the Cornsweet case at Cleveland appears to

have been settled, while the Cincinnati Automobile Club case was to have been heard this week in the court of common pleas at Columbus, but has been postponed to November and a compromise proposal which has been offered by Sears, Roebuck & Co.'s Allstate insurance companies appeared to him unsatisfactory.

### Cooperation with Credit Men

He urged cooperation with credit men's clubs. He expressed satisfaction with a recent statement made by President L. E. Falls of the National Automobile Underwriters Association that there is no intention to establish a separate classification for financed automobiles. He said that following the government's investigation of life insurance, the next logical step is an investigation of the other classes, and urged members to use their franchise, sending to Washington and more particularly the state capital and the city halls, officials who will uphold the right of free enterprise in all business.

He said that since the movement for a new standard fire policy appears to have bogged down in New York state where it originated, that question should remain in abeyance insofar as Ohio is concerned until the supervising officials come to an agreement.

### Recommends Closer Contact

It is recommended that the incoming administration establish and maintain a closer contact with the executive offices in Columbus. This association was founded as a democratic institution, he said. The executive office supplies the machinery, but the motive power should come from the duly constituted officers and board of trustees. With a competent staff always on the job, it is a temptation to delegate to it authority which properly is vested in the elected officials. This is not the democratic way—it is not the American way. "It is my considered judgment," he declared, "that if this association is to continue to function as a democratic institution, there must be close harmony between elected officials and the staff in Columbus, with the former initiating every important course of action, and the latter carrying it forward."

The general agency of Ligon & Alexander, Carthage, Tenn., becomes the J. H. Ligon agency with the withdrawal from the firm of J. W. Alexander due to ill health.

Gordon C. Welshons, manager Stillwater Insurance Agency, Stillwater, Minn., is a captain in the national guard and expects to leave for camp some time this fall.

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## W. A. Earls' Regime Closes on High Note

(CONTINUED FROM PAGE 18)

Paul W. Kridler of Fremont was advanced to the presidency according to schedule. G. C. Webb, Lima, was made vice-president and placed in line for the presidency next year.

W. A. Earls, of Cincinnati, retiring president, is one of the most influential agents of the country and his administration has been one of achievement.

### Kridler Opens Convention

Vice-president Paul W. Kridler of Fremont called the convention to order at the opening session Tuesday morning. Dr. Frank E. Ferris, Fairmount Presbyterian Church, spoke the invocation.

Mayor Harold Burton of Cleveland, Republican nominee for United States senator, extended greetings. He asserted that insurance is the most stabilizing influence in the United States. It was responsible to a large extent for preserving confidence during the period 1932-34. The insurance agent, who is a counsellor to his clients, is one of the best citizens of the state. In order to make "a self governing outfit" a success, there must be a great deal of service rendered to individuals. If there can be flexibility along with stability, "we can buy it."

In the United States people have been willing to do work that has to be done "so we can live together. The insurance agents are one of the most reliable elements of the population."

### Welcome from Barrett

John W. Barrett, president of the Cleveland Board, gave a welcoming talk. The response was given by J. F. Van Vechten, Akron. Francis Whitaker, Wooster, chairman of the rules committee, read the rules governing the conduct of the meeting.

Mr. Kridler stated that the report of Assistant Secretary Robley E. Willis had been prepared in mimeographed form and would be distributed.

W. A. Earls of Cincinnati gave the presidential address. He brought the members up to date on many important situations in the business such as HOLC insurance, Cornsweet case of Cleveland, Cincinnati Automobile Club case, cooperation with credit men, financed automobile business, standard automobile liability policy, Sears, Roebuck insurance operations, TNEC insurance investigation, admitted companies of foreign domicile, countersignature law situation.

### Complete and Succinct

Mr. Earls spoke in informed, straightforward, and frank fashion. He sketched the insurance day completely and succinctly. The members rose in appreciation as he concluded his message.

Then came the so-called departmental conference period, which has been for some years one of the most valued

Ohio convention feature. It consists of representatives of the insurance department making prefatory remarks and then answering questions. Those participating this year were J. Ross Crabbe, deputy; L. U. Jeffries, warden, and V. G. Martin, license chief.

Mr. Martin discussed the problem that is created under the Ohio law that prevents the department from extending credit to agents and companies for license fees. Because payment must be made in advance, there is some delay in issuing certificates. Before a license can be issued the money must be received. When the department has approved an application and is ready to issue a license, it must bill the requisitioning authority and wait for the return of the check before actually issuing the license. Until such time as the law may be amended, applicants can avoid delay by completing the various forms in an acceptable manner. Mr. Martin set up large replicas of forms to point out common errors. For instance the applicant, instead of filling out the blank in his own handwriting as is required, does so on the typewriter. Such an application is returned. One of the favorite answers to the question as to what proportion of the applicant's business is his own, his employer's or relatives' risks is "all I can get." This, the department will not accept. An exact statement to the penny is not demanded. "A nominal amount," for instance, will be accepted.

### Accident & Health Questions

Questions were asked about placing accident and health business. Mr. Martin brought out that a solicitor may write A. & H. for the casualty agent by whom the solicitor is licensed, but may not broker A. & H. lines with any other agent. A casualty agent may not accept A. & H. from a life agent. A solicitor who represents an agency that doesn't have an A. & H. connection may not place A. & H. lines anywhere. If a life agent desires to place A. & H. he must have a full casualty license. There is no special A. & H. classification.

Mr. Martin was asked about licensing part timers. He explained that new licenses will not be issued to automobile salesmen, men on the public payroll and those connected with financial and lending institutions. He recalled that the department requires that the employer of a part timer give the employee permission to be accessible to customers at any time.

### Status of Township Clerk

A question was asked whether a township clerk is eligible for license. The answer is that he is eligible because his public employment is only an incidental task. The man who asked the question said a man in his town is town-

ship clerk, drives a school bus, works in a filling station and sells insurance. The speaker was something less than enthusiastic about the versatility of his competitor.

There was a question as to what business a clerk for a county election board might not write. The answer was that the clerk might not write fire insurance for the election board nor fire insurance with a premium of \$50 for any other political subdivision. That is by construction of a penal statute.

The department men stated, in answer to a question, that the license of an agent would be revoked if it should be developed that his own business and that of his relatives exceeds 50 percent of his entire writings.

### Large Luncheon Turnout

The luncheon room was filled to capacity, reflecting the interest of the group in the appearance of John C. Blackall of Connecticut, president of the National Association of Insurance Commissioners. President Earls presided. Superintendent Lloyd of Ohio in pleasant vein introduced Mr. Blackall.

## TUESDAY AFTERNOON

At the commencement of the afternoon session Tuesday, President Earls appointed the convention committees.

The first speaker was L. H. Wiggers, assistant secretary and head of the insurance department of the Procter & Gamble Company. Mr. Wiggers, in good humor and graciously, made some criticisms of the insurance business that were well taken. The insurance industry during the past year or so has courted such criticism by inviting important buyers to address meetings. The effect seems to be wholesome and causes the agents and company men to think more intently in terms of the public interest in making decisions.

The next speaker was B. R. Walinder

of Chicago, acting manager of the America Fore farm and hail department. He gave sound observations on his specialty and his talk was followed as well by city as by rural producers.

A. E. Armstrong, field supervisor for Aetna Life, group and pension divisions, Cleveland, was to have been the final speaker, but he was stricken with a sacro-iliac ailment and was unable to appear. His place was taken by George G. Walsh, group manager of Aetna Life at Cleveland. He gave the talk on "The Development and Sale of Group and Hospitalization Insurance" that Mr. Armstrong was to have given.

The banquet was a gay and brilliant affair. The speaker, J. Fred Essary, Washington correspondent of the Baltimore "Sun," held the attention of the crowd closely.

At the Wednesday morning session there were two speakers that were good anchor men. Conventioneers who otherwise might have left for home, remained to hear Paul Haid and Superintendent Lloyd. The final feature of the convention was the luncheon at which the speaker was Earle W. Hodges, New York, public relations director of Cities Service Company.

The Cleveland group prepared carefully for the convention and the mechanics were admirable. E. S. Davis was general convention chairman.

Paul Gingham, counsel of the association, conducted the election Wednesday morning. A contest had developed between E. B. Berkeley of Cleveland and H. I. Covault of Lorain for trustee of the seventh district. Mr. Berkeley was elected.

Isaac D. Griffith of Girard reported for the nominating committee on the other official positions, for which there was no contest.

### TNEC Investigation Denounced

Theodore Safford, Cincinnati, gave the report of the resolutions committee. There was a memorial denouncing the TNEC investigation of insurance and



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any movement for federal supervision. It calls for "disbanding" of the TNEC and cessation of its "inquisitorial" tactics.

Another resolution calls for rejection of the proposal uniform counter-signature law that is under consideration by the National Association of Insurance Commissioners and commends Superintendent Lloyd of Ohio for opposing it. If such a law were enacted, it would cause Ohians to lose the benefits of the "forward looking" status of this state, the resolution says.

Superintendent Lloyd's intention to seek legislation permitting the department to bill the companies monthly for agents licenses issued during the preceding month was approved.

The incoming administration was asked to investigate the idea of devising a set of guiding principles for signature by agents and companies. The committee on unauthorized insurance was instructed to continue its crusade. A resolution was adopted on the death of Raymond Rhoads, deputy insurance superintendent.

### Inspectors of Western Factory Hurt in Crash

Russell Goonan and W. S. Anderson, inspectors of Western Factory stationed in Dayton, O., were seriously injured near Springfield, O., Sunday, when their car in which they were returning from an inspection of a plant, was sideswiped by a Greyhound bus. Both are in the Springfield city hospital.

Mr. Goonan, who is 50 and married, suffered the greater injuries, compound fractures of both left arm and leg, a deep gash in his right wrist and many cuts and bruises. He bled profusely, and was in such serious condition that surgeons were not able to operate on his fractures. Mr. Anderson has a head injury, a fractured hip and many cuts and bruises. An operation was performed Wednesday. He is 24 and unmarried.

Mr. Goonan has been inspector of Western Factory for 20 years and in charge of inspections in the Dayton area for 15 years. Mr. Anderson, a Purdue graduate in civil engineering, has been with the organization two years. His home is in Western Springs, Ill.

The accident occurred when a truck stopped suddenly just ahead of the bus, forcing the bus driver to swerve out. When he saw the car of Goonan and Anderson he attempted to cut across the road but did not clear them. Goonan's car was said to be have been demolished.

E. W. Willis, assistant superintendent of inspections, Chicago, and Roman Whiting, inspector at Milwaukee, went to Dayton to fill the vacancies temporarily. Mr. Willis also is superintending medical care for the two men.

### New Edition of Expert's Book Off the Press



LAWRENCE S. MYERS

A new edition of "The Manufacturer and Insurance," by Lawrence S.

### Interesting Compilation of Agencies in Iowa

A. M. Upham of Des Moines, publisher of Iowa Agents Credit Reports, in a bulletin presents a classification of Iowa local agencies from the latest available statistics. His last similar classification was published Nov. 30, 1937.

The bulletin shows that agencies representing stock fire companies not known to represent any mutuals or reciprocals writing fire insurance number 3,180. The similar class, Nov. 30, 1937, was 2,903 therefore, a gain of 277 in three years. The agencies representing mutual or reciprocal fire companies and not known to represent any stock company now are 1,967, as compared with 2,358 three years ago, a loss of 391. Agencies representing both stock and mutual or reciprocal companies are 1,831 as compared with 2,241 three years ago, a loss of 410.

There were 524 fewer agencies writing fire insurance than three years ago. Agencies representing casualty, surety, automobile, truck, etc., not known to represent any company writing fire insurance were 2,399 as compared with 1,003, a gain of 1,396. In the tabulation Mr. Upham has disregarded all exclusively accident, health, hail, tornado, live stock and fraternal societies.

Myers, Chicago, has been published by the "Fire, Casualty & Surety Bulletins" department of THE NATIONAL UNDERWRITER at Cincinnati. The original edition appeared early in 1939 and was sold out last spring.

The original work did not start as a book, but as a compilation of Mr. Myers' pointers for the guidance of members of the Marsh & McLennan agency, of which he is assistant vice-president. As time went on, Mr. Myers amplified his notes and kept them up to date, until they reached such proportions that they became known outside of his office. THE NATIONAL UNDERWRITER asked Mr. Myers to make them available to the insurance world and the speedy sale of the first edition indicated the value of his work.

#### Many Changes in New Work

The new edition of "The Manufacturer and Insurance" is a review and discussion of the hazards and desirable insurance protection for a manufacturing house. It discusses fire, inland and ocean marine, casualty and surety lines, including even such items as crop coverage and credit insurance. A skilled specialist in the handling of large risks, Mr. Myers points out where standard forms should be used and where they should be amended, showing his own recommended forms in a number of cases.

There have been changes in virtually every line of insurance since the first edition of "The Manufacturer and Insurance" appeared, and Mr. Myers has recorded all of them. Practically every chapter was changed. A material improvement in the new edition is a complete index, occupying four pages.

#### Author is Experienced

Mr. Myers, a native of Chicago, started his insurance career with the D. A. Fisher agency in Memphis, later going with Willcox, Peck, Brown & Crosby in New York. He joined Marsh & McLennan in Chicago in 1921 and was advanced to assistant vice-president in 1936. He has had the responsibility of supervising some of the largest insurance lines in the country and is noted inside and outside his organization for his knowledge of insurance and his skill at adapting coverages.

"The Manufacturer and Insurance" sells at \$3 and may be obtained from any office of THE NATIONAL UNDERWRITER.

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COMMERCIAL CAR FORM**

FOR \_\_\_\_\_  
TRUCK \_\_\_\_\_  
TRAILER \_\_\_\_\_

FORM	DESCRIPTION OF COVERAGE
PUBLIC LIABILITY	Insures your liability for injuries to or death of public.
PROPERTY DAMAGE LIABILITY	Insures your liability for damage to property of others on truck or trailer.
HURED CAR COVERAGE	Public and property liability insurance of automobiles.
MATERIAL DAMAGE	Insures against damage of (a) Fire, (b) Theft, (c) Collision, (d) Towing, (e) Upset, (f) Towing and Upset.
COLLISION OR UPSET	Insures against collision or upset.
TOWING COVERAGE	Insures your own car against damage by collision with another object, movable or stationary, or by upset.

**AUTOMOBILE INSURANCE QUOTATION  
PASSENGER CAR FORM**

FOR \_\_\_\_\_  
CAR \_\_\_\_\_

FORM	DESCRIPTION OF COVERAGE	DATE	LIMITS	COST
PUBLIC LIABILITY	Insures your liability for injuries to or death of members of the public.		\$..... Each Person \$..... Each Accident	\$.....
PROPERTY DAMAGE LIABILITY	Insures your liability for damage to property of others.		\$..... Each Person \$..... Each Accident	\$.....
OTHER CAR COVERAGE	The public liability and property damage policy extends to cover the insured and spouse while driving a borrowed private passenger car.		\$..... Each Person \$..... Each Accident	\$.....
MEDICAL EXP. COVERAGE	Pays for passengers injured in your car, necessary medical, surgical, ambulance, hospital, nursing and funeral expenses regardless of your liability for such injuries.		\$..... Each Person \$..... Each Accident	\$.....
TRAILERS	The public liability and property damage policy extends to cover, without limitation, the operation of your car with trailer or the utility type, but not for business purposes.		\$..... Each Person \$..... Each Accident	\$.....
COMPREHENSIVE	Insures against practically all types of loss or damage to your car (with the exception of damage by collision or by upset).		\$..... Each Person \$..... Each Accident	\$.....
COLLISION OR UPSET	Insures your own car against damage by collision with another object, movable or stationary, or by upset.		\$..... Each Person \$..... Each Accident	\$.....
TOWING COVERAGE	Insures your own car against damage by collision with another object, movable or stationary, or by upset.		\$..... Each Person \$..... Each Accident	\$.....

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You will certainly want to order a supply of these forms to distribute to your producers and for office use. They will help build prestige for your agency. Get those extra premiums by showing your prospects all the coverages available and how small the additional cost actually is.

The prices for either one of these business building blanks, in pads of 50, are: 5 to 24 pads, 50 cents per pad; (no order filled for less than 5 pads); 25 pads, 48 cents each; 50 pads, 45 cents each; 100 pads, 40 cents each; 500 pads, 35 cents each; 1000 pads, 30 cents each. Quotations furnished on larger quantities. On the reverse side of each form, above the application, your imprint can be included at an additional cost of \$1.50 per 20 pads. Order your supply now. Use the convenient Order Coupon below.

The National Underwriter,  
175 W. Jackson Blvd., Chicago, Ill.

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Please send us ..... pads of Automobile Insurance Quotation

Blanks, Commercial Car Form @ ..... per pad - - - Total .....

Please send us ..... pads of Automobile Insurance Quotation

Blanks, Passenger Car Form @ ..... per pad - - - Total .....

(Quantity prices apply to mixed orders.)

TOTAL .....

NAME .....

BY .....

ADDRESS .....

CITY .....

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